

# FOREIGN AFFAIRS

JANUARY/FEBRUARY 2024



## The Self-Doubting Superpower

America Shouldn't Give Up  
on the World It Made

FAREED ZAKARIA

The Middle  
East Remade  
MARIA FANTAPPIE  
& VALI NASR

Why Israel Slept  
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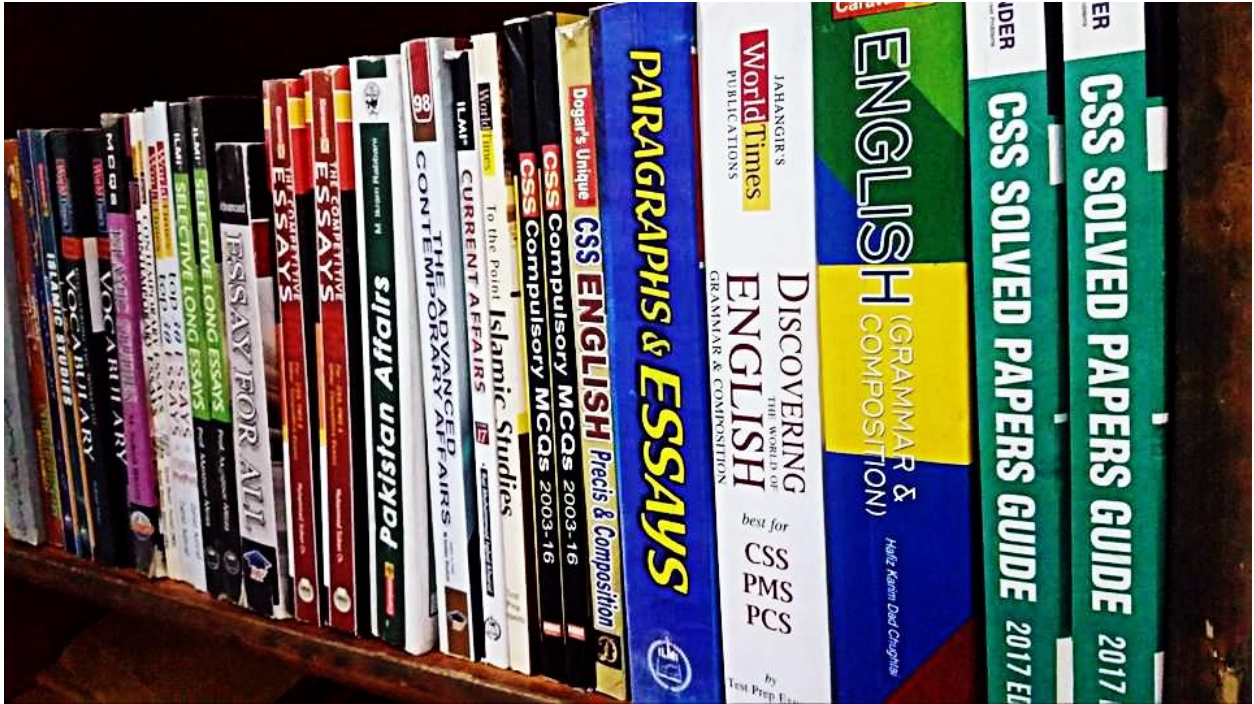
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# FOREIGN AFFAIRS

*Volume 103, Number 1*

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# The War That Remade the Middle East

## How Washington Can Stabilize a Transformed Region

MARIA FANTAPPIE AND VALI NASR

Before October 7, it seemed as if the United States' vision for the Middle East was finally coming to fruition. Washington had arrived at an implicit understanding with Tehran about its nuclear program, in which the Islamic Republic of Iran effectively paused further development in exchange for limited financial relief. The United States was working on a defense pact with Saudi Arabia, which would in turn lead the kingdom to normalize its relations with Israel. And Washington had announced plans for an ambitious trade corridor connecting India to Europe through the Middle East to offset China's rising influence in the region.

There were obstacles, of course. Tensions between Tehran and Washington, although lower than in the past, remained high. Israel's avowedly right-wing government was busy expanding settlements in the West Bank, prompting anger from Palestinians. But U.S. officials did not see Iran as a spoiler; it had, after all, recently restored ties with various Arab governments. And Arab states had already normalized relations with Israel, even though Israel was not making meaningful concessions to the Palestinians.

Then Hamas attacked Israel, throwing the region into turmoil and upending the United States' vision. The militant group's expansive assault from

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*Illustration by Mike McQuade*



the Gaza Strip—in which its fighters broke through a high-tech border wall, rampaged across southern Israeli towns, killed roughly 1,200 people, and took more than 240 hostages—made it clear that the Middle East is still a deeply explosive region. The attack prompted a ferocious military response by Israel that created a humanitarian catastrophe in Gaza, with large numbers of dead and displaced Palestinians, and raised the risk of a wider regional war. The plight of the Palestinians is again front and center, and an Israeli-Saudi deal is infeasible. Given that Iranian support accounts for Hamas's resilience and military abilities, Iran's own regional military capabilities now seem quite powerful. Tehran also seems newly assertive. Although not keen on a broader conflict, Iran has still basked in Hamas's show of force and, since then, upped the ante as Israel exchanged fire with the Lebanese militia Hezbollah and as other Iranian-backed groups lobbed rockets at U.S. troops.

The influence of the United States still looms large over the Middle East. But its support for Israel's war has decidedly compromised its credibility in the region. (That support has also damaged Washington's standing in the global South more broadly, especially as Israel's claim of self-defense turned into collective punishment of Palestinian civilians.) This means the United States will have to craft a new strategy for the Middle East, one that contends with the realities it has long ignored. Washington, for example, can no longer neglect the Palestinian issue. In fact, it will have to make resolving that conflict the centerpiece of its endeavors. It will simply be impossible for the United States to tackle other questions in the region, including the future of

Arab-Israeli ties, until there is a credible path to a viable future Palestinian state.

Washington must also address Tehran's rising power, which has rattled the Middle East. If the United States wants to bring peace to the region, it must find new ways to constrain Iran and its proxies. Just as important, the United States must reduce their desire to challenge the regional order. It will especially need a new deal that halts Iran's march to achieve the capability to make nuclear weapons.

To achieve these aims, the United States does not have to discard all that it has worked for. In fact, it can—and should—build on elements of the order it previously envisioned. In particular, Washington must anchor its new plan for the region in its partnership with Saudi Arabia, which has working relations with Iran, Israel, and the entire Arab world. Riyadh can use its expansive influence to help revive Israeli-Palestinian negotiations and help the United States strike a nuclear agreement with Iran. And together, Riyadh and Washington can create the Middle Eastern economic corridor the United States needs to balance against China.

This new grand bargain will not be as straightforward as the deal the United States was negotiating before October 7. It will not begin with Israeli-Saudi normalization, and it will not end with an Arab-Israeli alliance against Iran. But unlike past agreements, this new framework is achievable. And if done right, it will lower regional tensions and establish lasting peace.

#### WISHFUL THINKING

It is easy to see why the United States believed it could step back from the



Middle East. The Arab-Israeli conflict appeared to be ending, even if the Israeli-Palestinian conflict dragged on. Iran had struck an effective bargain with the United States to limit the advancement of its nuclear program and had normalized ties with Saudi Arabia and other Gulf countries. The region seemed to be taking care of itself, freeing Washington to focus on Asia and Europe.

But Washington had overestimated the stability of that situation, and it had underestimated the forces arrayed against it. U.S. President Joe Biden, for example, appears to have given little thought to how he would earn Senate approval for a defense treaty with Saudi Arabia, even though the treaty could entail providing the kingdom with advanced weaponry and civilian nuclear infrastructure. The United States also wrongly assumed that other Middle Eastern countries would not protest as it boosted Riyadh's quest for regional hegemony. Washington figured that Tehran, for example, was too eager to normalize ties with Arab states and too busy with domestic unrest to interfere with U.S. plans. In reality, of course, Iran was continuing to strengthen and nurture its armed proxies.

But Washington's biggest miscalculation was thinking it could ignore the Palestinian issue. Its tentative agreement with the Saudis, for example, was premised on the assumption that Riyadh could normalize ties with Israel and not prompt widespread backlash, even though it was unlikely that any deal would involve major concessions to the Palestinians. The United States did know that, despite the promise of

de-escalation, the shadow war between Iran and Israel continued to simmer. But it did not foresee that war converging with the Palestinian issue, and to devastating effect.

As October 7 showed, Washington's beliefs about the Middle East were completely incorrect. And yet so far, the United States has not updated its thinking. Instead of pushing for a limited military campaign that might salvage Israel's reputation, Washington's overarching response to the war in Gaza has been nearly unequivocal support for a brutal military assault. The result has been both anti-Israeli and anti-American outrage across the Middle East. Jordanian King Abdullah II and his wife, Queen Rania Al Abdullah, for example, have publicly condemned the Israeli military campaign, criticized American support for it, and made it clear that in this war, Jordan does not stand with the West. Both Jordan and Bahrain have recalled their ambassadors to Israel and frozen diplomatic ties. When U.S. Secretary of State Antony Blinken and Arab leaders held a meeting in Amman in November, they could not even produce a perfunctory joint communiqué.

The United States has tried to compensate for its pro-Israel position by supporting pauses in the fighting to get humanitarian aid into Gaza. It has also cooperated with the government of Qatar, which has close ties to Hamas, to secure the release of hostages. And Washington has lobbied to have the Palestinian Authority govern Gaza at the end of the war, instead of subjecting it to a prolonged Israeli occupation.

But these modest steps are unlikely to stabilize the region. In fact, they



are doing the opposite: creating a vacuum that the Arab world's other actors will use to advance their own interests. Israel has made destroying Hamas its immediate goal, but without U.S. pressure, it will also look to convince its citizens and the region of its invincibility by dealing incalculable damage to Gaza to deter potential adversaries. Egypt, Jordan, and the Palestinian Authority will want to minimize internal and external threats to their power, so they will try to make sure any postwar diplomacy suits their economic interests and bolsters their regional standing. Gulf countries, too, will use the conflict to vie for influence. Qatar is already leveraging its relationship with Hamas to make itself into an indispensable regional player—one with more influence than both Saudi Arabia and the United Arab Emirates (UAE). Turkey, meanwhile, wants to find a role in resolving the conflict so it can get Washington to sell it F-16 fighter jets and back away from supporting the Kurds in Syria.

But the state that has already gained the most from the war is Iran. The resurrection of the Palestinian issue has focused regional attention once again on the Levant. The “axis of resistance” that Iran leads, which in addition to Hamas and Hezbollah includes the Assad regime, Shiite militias in both Iraq and Syria, and the Houthis in Yemen, has shown it can change the direction of Middle East politics, escalating and de-escalating regional conflicts at will. By offering unwavering support for Hamas, Iran has also bolstered its image as the defender of the Palestinians, increasing its popularity across the Middle East. And

Tehran is balancing its support for Hamas with its burgeoning relations with the Arab world to fully embed itself in regional politics. Shortly after the Hamas attacks, Iranian President Ebrahim Raisi spoke on the phone with Saudi Crown Prince Mohammad Bin Salman for the first time since the states renewed their ties in March 2023. Raisi then traveled to Riyadh in November at the prince's invitation to attend what participants named the Joint Arab-Islamic Extraordinary Summit. Tehran has taken the idea of an Arab-Israeli axis to contain Iran and turned it on its head.

Together, these trends are driving the region toward a wider conflict. The deepening distrust of the United States, the country's inability to lead the region to stability, and the lack of any common vision to rally around are driving different states to pursue their own short-term interests, increasingly guided by pressure from the streets and fears of a wider war. These divergent interests are prolonging the region's crisis and increasing the chance of unintended escalation. To avoid the worst, Washington will have to revisit its core assumptions, renew its commitment to the Middle East, and lay out a fresh vision for the region.

#### DEAL OR NO DEAL

Washington's most urgent task is ending the war in Gaza. As long as Israel is attacking the territory and killing civilians there and the United States is doing little to rein in its ally, governments and people in Arab countries will be too furious to follow the United States' lead. As a result, U.S. officials must press Israel to cease waging a war



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on Hamas that collectively punishes civilians—as of November 16, 2023, fighting in Gaza had killed over 11,000 Palestinians and denied the territory access to food, water, and medicine. Washington must make Israel stop using unrestrained violence in Gaza and pressure it to instead pursue a peaceful, political solution to the decades-long Palestinian issue.

Once the fighting ends, Washington can begin looking forward. As it does so, it will need to take a sober view. But it does not need to throw away everything it had worked toward before October 7. The United States should still base its strategy on striking a grand bargain with Saudi Arabia. Although Riyadh may not normalize ties with Israel any time soon, it is still one of the few governments in the region that remains on good terms with every country in the Middle East and North Africa. It even has cordial, if informal, relations with Israel. It is a key broker in the region.

If anything, the war in Gaza could boost Saudi Arabia's primacy by giving it a chance to stabilize the Israeli-Palestinian conflict. The Joint Arab-Islamic Extraordinary Summit, which included leaders from across the Arab world, in addition to Iran and Turkey, was a first step in this direction. Unlike Egypt, Jordan, or the other states that usually mediate between Israel and its adversaries, Saudi Arabia has the credibility and regional relations needed to help strike a real peace deal. To do so, Saudi Arabia would work with Iran and Turkey, the main powerbrokers in the Arab world, as well as with Israel via the United States, to arrive at a broad

framework for an Israeli-Palestinian peace process with the aim of creating a Palestinian state. Then, Saudi Arabia and its partners would work to build an overarching framework for regional security that must include rules and redlines broadly agreed to by all sides. Only an agreement like this would ensure lasting peace on Israel's borders, close the door to radical forces among Palestinians, contain the shadow war between Iran and Israel, and rein in Tehran's axis of resistance.

The Saudis will be reluctant to own the Palestinian issue. But Saudi Arabia's interests rest in regional peace and security. Its grand economic vision cannot unfold if there is lasting crisis in the region. Riyadh also continues to covet regional leadership and recognition as a great power on the world stage, something that requires American support and could therefore prompt Riyadh to heed U.S. calls to broker a peace agreement.

To help Saudi Arabia, the United States would have to offer Riyadh diplomatic support to pursue broad-based diplomacy, including giving the government permission to seek Iranian acquiescence on a deal to resolve the Palestinian issue. Washington will have to corral its other Arab allies to support Riyadh, as well. And the United States must pursue the defense pact that was on the table with Riyadh before October 7. But it can no longer demand immediate recognition of Israel as a precondition. Instead, the United States should ask that Saudi Arabia lead the Israeli-Palestinian peace process. Normalized ties with Israel could then be the outcome of the process.



As it puts forward a peace proposal for Israel and the Palestinian territories, Saudi Arabia will have to prove it can consult with Gulf neighbors and better take into account their ambitions, as well as their security concerns—which it did not do before October 7. Doing so could require that Riyadh use diplomatic energy it might be reluctant to spend. But if it succeeds at helping ease the path to an Israeli-Palestinian agreement and achieving greater regional security, Saudi Arabia would acquire the diplomatic gravitas it craves. A defense pact with the United States, meanwhile, would provide the kingdom with the military capabilities it needs to solidify its status as the Middle East's premier economic and political actor.

#### CONSTRAIN, DON'T CONTAIN

Solving the Palestinian issue is essential to creating a stable Middle East. But it is not the only challenge facing the region. As part of any grand bargain, Washington will need to lower tensions with Iran and use its deal with Riyadh to constrain the country's ambitions. And by itself, a deal with Riyadh risks doing the exact opposite.

There are many reasons Iran might respond poorly to a U.S.-Saudi agreement. The scale and quality of weapons that would begin to flow from the United States to Saudi Arabia, for example, will alarm Tehran. It will also see a Saudi civilian nuclear program as inherently aggressive, no matter how many restrictions Washington puts on it. Iran would also worry that a U.S.-Saudi defense treaty would lead to an expanded American military presence in the Middle East.

Tehran might therefore respond to a U.S.-Saudi deal by escalating its own weapons manufacturing, launching more proxy attacks, and advancing its nuclear program. (Egypt, Turkey, and the UAE might start to seek nuclear capabilities, as well.)

If Israel and Saudi Arabia eventually normalize relations, Israel might even establish a direct military and intelligence presence in the Gulf, one that could be protected by the U.S.-Saudi defense treaty. For Iran, such an outcome would be a nightmare. Tehran would no longer be able to deter Saudi military cooperation with Israel by having its proxies attack Saudi troops or oil refineries, since doing so would provoke a direct confrontation with Washington.

Fortunately for Iran, Riyadh does not want to end its détente with Tehran, which has been a boon for the country. Since Saudi Arabia restarted ties with Iran, the Iranian-backed Houthis in Yemen have stopped attacking Saudi territory. Together, Riyadh and Tehran have established a stable cease-fire in Yemen after years of brutal warfare. Now, Yemen's parties are making progress toward a permanent agreement. This newfound security has made it easier for Saudi Arabia to pursue its lofty economic goals by removing the threat of Houthi missile attacks on Saudi refineries and other infrastructure. As a result, Riyadh no longer seems to share Israel's vision for a joint military and intelligence axis to roll back Iran's regional influence. In fact, since March 2023, Iran and Saudi Arabia have worked to fully normalize relations by opening embassies, easing travel between their countries, and establishing cultural exchanges.



Iran had already established full relations with Kuwait and the UAE in 2022. It is in talks with Egypt and Jordan to restore ties with those countries, as well.

A U.S.-Saudi defense pact will still be a concern for Tehran. But it is less likely to react adversely to one that does not affect its diplomatic and economic relations with Riyadh and the rest of the Gulf, and that does not set up a regional security arrangement aimed at degrading its power. By engaging Iran in bilateral and regional issues as it pursues a grand bargain with the United States, Saudi Arabia can minimize Iranian resistance to a U.S. deal and even find ways to secure Tehran's consent for a new regional order.

Washington may not approve of Riyadh's efforts to keep Tehran on board by using diplomatic concessions and economic benefits. Iran is one of the United States' principal adversaries, and it is Israel's main enemy. But the United States cannot stop the normalization of ties between Iran and its Arab neighbors. As Iran's axis of resistance has grown stronger, Saudi Arabia, Turkey, and the UAE have all decided that Tehran must be integrated into the region to keep themselves safe. They have decided that they can better protect their security if they engage Iran and if Tehran has a vested interest in bilateral ties with them.

Nor should the United States try to stop normalization. If the Arab world's approach is successful, it will serve American interests by de-escalating regional tensions, freeing the United States to focus on Asia and Europe. The United States should therefore use the Middle East's new order to cage Iran's ambitions, instead of try-

ing in vain to create an anti-Tehran alliance. To do so, Washington should encourage Saudi Arabia and other Gulf states to deepen their diplomatic and economic engagement with Iran in order to secure Tehran's acquiescence to a permanent settlement for the Palestinian issue and de-escalation in the Levant. A solution for the Palestinians will be difficult to arrive at without at least tacit Iranian agreement—and any deal will be far more resilient with it. Such a solution would also deny Iran the ability to exploit the issue, cost radical Palestinian voices their influence, and provide political space to the Arab world to establish better ties with Israel.

#### BACK FROM THE BRINK

There is one issue that Israel, the United States, and most Arab countries still agree on: Iran's nuclear program. They all believe that the program's continued expansion is one of the most destabilizing developments in the Middle East. As Tehran gets closer to producing nuclear weapons, Israel might step up its covert attacks on Iran. If Tehran appears to be on the cusp of nuclearization, Israel could attack the country outright—an act that could quickly draw the United States into a direct conflict. Should Riyadh and Washington sign a defense treaty, Saudi Arabia might also become a party to any war. That war would then unfold in the Levant, as well as the Gulf, with devastating consequences for both regions and for the global economy.

Iran and the United States have tried, and failed, to strike a new nuclear accord since Biden took office at the



beginning of 2021. And at first, the October 7 attacks might seem to make a new agreement virtually impossible to reach. But Tehran and Washington had worked carefully to de-escalate before October 7, and their quiet agreement has largely held steady. The informal nuclear deal, for example, appears to remain in effect. Iran's proxies launched rockets at American bases, but there is little indication that either side wants to fight the other—those attacks are more designed to show support for Gaza and to warn the United States against scuttling the informal deal than to do real damage. Washington's own sporadic strikes are similarly about posturing, carried out to appease domestic audiences agitating for a response to the Iranian attacks. For Washington, escalation with Iran would divert military and diplomatic resources away from its competition with Beijing and Moscow. Iran's leaders, meanwhile, do not want to risk a conflict that could devastate their economy—and possibly bring down their regime.

This relative calm will likely hold at least until the U.S. presidential elections in November 2024. But the possible return to office of former U.S. President Donald Trump means Tehran and Washington do not have much time to strike a new agreement. Even if Biden is reelected, the two states must resolve their nuclear standoff before October 2025, when the ability of any signatory to reinstate UN-approved sanctions under the 2015 nuclear deal (which Trump withdrew from) expires. If the United States and its European allies do not reinstate the UN sanctions before then, they may never be able to implement them

again; China and Russia will likely veto any future restrictions, which must pass through the UN Security Council. But if the West does opt to reimpose these restrictions, Iran has warned that it will leave the Nuclear Nonproliferation Treaty—a very public precursor to building a weapon—precipitating a major international crisis. Washington and its allies, then, want a new agreement before they make up their minds.

To create a new deal, Iran and the United States should pick up where they left off in Vienna in August 2022: the last time the two countries held nuclear talks. Despite the fighting in Gaza, their objectives remain the same. The United States wants to limit the amount and purity of uranium Iran can enrich—thereby extending the time Tehran needs to produce enough fissile material to make a nuclear weapon—and to ensure that Iran's nuclear program is subject to rigorous international monitoring. Iran, for its part, still needs relief from crippling economic sanctions.

But unlike in 2022, the United States should closely coordinate its nuclear talks with Saudi Arabia's own efforts to reduce tensions with Iran. The two are, after all, linked. Success in nuclear talks that reduce tensions between Iran and the United States will help Saudi talks achieve the same with Iran; success in talks between Riyadh and Tehran, meanwhile, will give Iran more reason to trust a nuclear deal with the United States, particularly if such talks are encouraged by Washington. And the United States will have to ensure that any nuclear deal it makes with Saudi Arabia contains limits and restrictions that



resemble the agreement it strikes with Iran. Otherwise, the two states could enter an escalatory spiral, as whichever state is granted inferior nuclear capabilities will work hard to catch up.

#### CATCHING UP

In the near term, Washington's Middle East strategy must focus on ending the war in Gaza and finding a path to regional stability. But in the long term, the United States needs to look beyond just Iran and the Palestinians. Its Middle East policies must also contend with Beijing: Washington's chief international competitor.

China's economic presence in the Middle East has grown markedly over the past decade. The country relies heavily on the Gulf for its energy supplies, and it has used the Gulf as a gateway for its expanding trade and investment networks in Africa. China has, in turn, offered Saudi Arabia and the UAE access to knowledge—for example, about the technologies underlying green energy—that they cannot procure in the West, helping spearhead development in the Gulf. China has also made substantial direct financial investments in the Gulf, especially within Saudi Arabia. Under Chinese President Xi Jinping, this commercial relationship has been folded into China's Belt and Road Initiative. Xi has made fostering these ties part of his response to Washington's efforts to constrain Beijing.

The United States has taken note of China's expanding relationship with Middle Eastern states. It paid especially close attention when Xi helped mediate the rapprochement between Iran and Saudi Arabia. Washington

believes that China wants to use its economic influence in the Middle East to become a political and security power in the region. The U.S.-Saudi defense treaty is a response: a way of arresting Riyadh's drift into China's orbit. Washington's plans for a trade corridor through the Middle East are also designed to undermine Beijing's scheme. Such a corridor would benefit the region economically, but its primary purpose is to counter the Belt and Road Initiative by anchoring the region's economic future to India and Europe. The corridor would also bind the UAE and Saudi Arabia to Israel and integrate Israel's economy into that of the Middle East.

Beijing has responded warily to Washington's proposals. When the United States talked about creating an Indian-Middle Eastern-European economic corridor, China reacted by saying it would welcome the corridor provided it did not become a "geopolitical tool," which is, of course, exactly what the United States intends it to be. It would divide the Middle East between those that are part of the economic corridor and those that are not: an exclusionary system that runs counter to China's regional vision. And Beijing knows the Biden administration's push for Israeli-Saudi normalization is an attempt to match China's own success with the Iranians and the Saudis. China is not yet in a position to foil the United States' plans, but there are no signs it will slow its economic engagement with the region. In the current geopolitical vacuum, that engagement will continue to expand and deepen.

Saudi Arabia does not want to choose between China and the United States.



But just like Israel and the Palestinian territories, Riyadh may still agree to Washington's plans because they would bolster Riyadh's great-power ambitions by strengthening its regional position and expanding its economic influence. These plans would improve the economies of other regional states, as well. As a result, Arab countries that might otherwise be hostile to a Saudi-centered Middle East could go along with the United States' proposals. If they do, the result would be greater stability both within Middle Eastern countries and between them.

But to increase the likelihood that every state will buy into its proposed order, the United States may have to do more than make sure its system delivers widespread prosperity. The United States must also subscribe to a vision for Middle East security that does not divide the region into camps but makes room for all actors. That requires the United States to let the countries in its envisioned economic corridor join other economic arrangements, as well. It also requires a grand bargain to promote the security of Israel, other Arab states, and even Iran. Such security can be, in part, offered through a new nuclear deal and a regional accord between Iran and Saudi Arabia. But the United States should consider making regional pacts beyond the one it concludes with Saudi Arabia. These pacts could extend U.S. security guarantees to other states, but they must also come with restraints and redlines. Washington cannot simply continue supplying weapons to regional allies, as it did before October 7. Instead of promoting stability, this policy encouraged a regional arms race and war.

## MAKING PEACE

No matter what Washington does, there will be resistance to its Middle East vision. Iran will remain hostile to Israel and the United States. Saudi Arabia's Gulf neighbors will never be pleased about the kingdom's dominance. Israel and Turkey will also calculate what it means for Saudi Arabia to amass so much power and what the United States' commitment to the Saudis means for their interests. They will react accordingly, and likely in ways Washington cannot expect.

But although all these countries will want more power, what they want most of all is to preserve the stability of their regimes. They want to subscribe to a vision that ends local conflicts, fosters economic growth, and otherwise reduces domestic pressure. If a U.S.-Saudi pact delivers, they will ultimately accept it.

Yet to make this bargain work, the United States will need to persuade Israel to stop engaging in what many see as the collective punishment of Palestinian civilians. Washington must tackle the plight of the Palestinians more broadly, instead of ignoring their cause, by helping create a credible pathway to a future Palestinian state. Washington's bargain must contend with the challenge that Iran presents by freezing its nuclear program and constraining its network of regional clients, both through deterrence and by taking steps to reduce tensions. And the United States must create a trade corridor that helps cultivate the Middle East's economies. Only then will the region be stable—and only then will Washington be free of its present responsibilities. 🌐



# Why Israel Slept

## The War in Gaza and the Search for Security

AMOS YADLIN AND UDI EVENTAL

In a barbaric surprise attack launched by Hamas on October 7, more Jews were slaughtered than on any day since the Holocaust. Thousands of elite Hamas militants from the Gaza Strip infiltrated small communities and cities in southern Israel, where they proceeded to commit sadistic, repulsive crimes against humanity, filming their vile deeds and boasting about them to friends and family back home.

The assault was devastating for the Israeli people. Around 1,200 people were killed that day (the equivalent of around 42,500 Americans, adjusting for population) and some 240 were kidnapped—including young children and elderly people—and taken into Hamas's vast tunnel network beneath Gaza.

It was also devastating for the Israeli state. On that fateful day, the country's long-standing security doctrine crumbled in the face of a perfect storm; as a consequence, its intelligence and military institutions were unable to keep citizens safe. For years, the country's political and military establishment had allowed intolerable threats to gather by seeking to maintain the status quo in the conflict with the Palestinians and to establish a *modus vivendi* with the *de facto* Hamas state in Gaza based on deterrence, aiming to extend periods of tranquility.

Israel cannot return to the status quo that existed before October 7. The state's task now is to bring all the hostages back home and to make

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it impossible for Hamas and other adversaries, notably the Iranian-backed Lebanese militant group Hezbollah, to carry out further terrorist attacks against Israeli citizens or pose direct threats to their security. Simultaneously, the government and the political establishment must accept responsibility for their strategic errors. They should prioritize national security interests above political survival and work to foster unity among Israelis, preparing them for the demanding times and challenges that lie ahead. And once the danger posed by Hamas has been eliminated, Israel must renew the process of promoting stable security and political arrangements with the Palestinians.

A necessary paradigm shift is now underway. But a paradigm can shift in many different directions. For the sake of Israel's future, this one must push the country's defense institutions and security strategy back toward certain basic principles from which they have strayed in recent years.

#### KNOW YOUR ENEMY

Israel's national security doctrine was initially crafted in the mid-twentieth century under the country's first prime minister, David Ben-Gurion. Over the decades, it has been updated to include four main pillars: deterrence, early warning, defense, and decisive victory.

Deterrence is an intricate art. Its waning can be discerned in real time, yet its definitive breakdown becomes evident only in retrospect. In this case, there were plenty of reasons why Hamas ceased to be deterred and concluded the time was right to attack. Because of Israel's overreliance on

deterrence, and its tacit acceptance of a prolonged buildup of Hamas forces in Gaza (facilitated by Iranian funding and expertise), the group had achieved an unusually high level of operational readiness to carry out a major attack. It had also identified significant vulnerabilities in Israel's defenses around Gaza. Hamas may have calculated there was a good chance that a major assault and the likely Israeli response might spark violence on other fronts, including inside Israel—as was the case with an escalation of the fighting in Gaza in May 2021 that provoked clashes among Arabs and Jews in cities across Israel.

Meanwhile, the progress of talks intended to produce the normalization of relations between Israel and Saudi Arabia heightened the concerns of both Hamas and Iran, which fear the further consolidation of a bloc opposed to the Islamic Republic and its allies and proxies—the so-called axis of resistance—and worry about Israel's deeper integration into the region. Hamas presumably believed a major attack would thwart this process.

Hamas was likely encouraged by the impression that Israel's internal political crisis—sparked by extensive protests against Prime Minister Benjamin Netanyahu's proposal to curtail the power of the Israeli Supreme Court—had diverted attention from Gaza and significantly undermined Israel's social cohesion and steadfastness. It is worth noting that officials with Israel's Military Intelligence Directorate, the chief of staff of the Israel Defense Forces (IDF), and the minister of defense had all cautioned Netanyahu about Israel appearing historically weak in the eyes of its adversaries. Despite these



warnings conveyed in recent months through a series of letters, Netanyahu chose to disregard them.

According to Israel's security doctrine, when deterrence fails, the intelligence community assumes the vital role of providing early warning, enabling the IDF to prepare and respond effectively to the threat. But a catastrophic misconception had taken hold within the Israeli intelligence community in recent years, just as happened in the run-up to the Yom Kippur War in 1973. During that time, the intelligence community wrongly assessed that Egypt and Syria would not dare to engage in a war they could not win, failing to comprehend Egyptian President Anwar al-Sadat's goal of breaking the status quo.

As a jihadi terror organization aligned with Iran and its axis of resistance, Hamas's fundamental aspiration is to inflict harm on Israel and undermine the state, with the ultimate aim of obliterating it. But Israeli intelligence and decision-makers had come to believe that Hamas's responsibilities in Gaza—where it essentially governed a *de facto* state of over two million Palestinians—had tempered its extremism. Hamas deceitfully encouraged this misperception in recent years, posing as a reliable actor and warning of escalation if Israel did not allow funding from Qatar to arrive in Gaza and did not permit more Gazan workers in Israel. When Israel agreed to those concessions, Hamas used the resulting money and the information gathered from Gazans allowed to work in Israel to clandestinely plot its murderous offensive.

This failure to properly comprehend Hamas's nature and its intentions dates

back to the 2005 Israeli withdrawal from Gaza and the subsequent Hamas coup against the Palestinian Authority there. Since then, Israel had operated on the premise that a deterred and weakened Hamas was preferable to a governance vacuum in Gaza and would allow Israel to focus on what it perceived as more critical strategic challenges, such as Iran's nuclear aspirations and Hezbollah's military buildup. Accordingly, each time a flare-up occurred in Gaza, Israel's aim was to reestablish deterrence through a limited use of force. This allowed Hamas to carry out a long-term buildup of arms and military infrastructure and to improve its operational capabilities.

When deterrence falters and early warnings fail to materialize, Israel's traditional security doctrine falls back on its third pillar: the IDF's defensive capabilities. In the past decade, the IDF has succeeded in mitigating two central threats from Gaza: rocket attacks (which Israel's Iron Dome defense system intercepts) and tunnels infiltrating Israeli territory (which were neutralized by an underground antitunnel barrier that Israel completed along the border with Gaza in 2021). But Israel failed to imagine an aboveground invasion and did not reinforce defenses around Gaza in proportion to Hamas's growing military capabilities, deviating from a key lesson learned during the Yom Kippur War: organize defense according to an adversary's capabilities and not only to its assessed intentions. Consequently, Israeli forces in the area were outnumbered and caught off guard after the IDF reduced its troop presence around Gaza and granted leave to many soldiers during the Sukkot holiday.



The IDF had also become overly reliant on technological means of defending the border, such as cameras, advanced sensors, and remotely operated machine guns. Hamas used drones to neutralize those tools and breached the barrier with bulldozers: a combination of high-tech and low-tech means unlike anything Israel had anticipated.

The fourth pillar of Israel's security doctrine is the concept of achieving a decisive military outcome—that is, securing an uncontested victory over the enemy by neutralizing both its military capabilities and its resolve to continue fighting. This idea has sparked extensive debate among experts and senior IDF leaders for many years about how to define “decisive outcome” and “victory” and how to apply them to conflicts with nonstate actors and terrorist groups. Israel now understands that although the jihadi ideology of Hamas may persist (as have those of the Islamic State, or ISIS, and al Qaeda), the IDF must dismantle the organization's military capabilities.

#### THE GOAL IN GAZA

In the wake of Hamas's brutal attack, Israel has come to see that it cannot coexist with a jihadi Islamist state akin to ISIS at its doorstep in Gaza. The era of intermittent cycles of fighting and cease-fires in Gaza is over. What will replace it is a continuous, protracted military campaign, one driven not by a desire for revenge but grounded in Israel's paramount security interests and an unwavering commitment to the safe return of the hostages being held by Hamas.

Israel's ground operation was only the first step, and the military effort

will persist after the withdrawal of IDF forces from Gaza. An effective Israeli strategy demands the integration of several interrelated, parallel endeavors—military, civilian, and political—executed methodically within a structured framework, which must be continually realigned with the expectations of the Israeli public and combined with a diplomatic campaign that will secure the assistance and support that the country will need from allies and partners.

This war marks a return to the conditions outlined in the Oslo accords, which underscored Israel's unwillingness to tolerate an armed Palestinian entity on its borders. The Israeli government is also seeking to restore the public's trust in the IDF and other state institutions and send a signal that harming Israeli citizens will yield an unbearable cost for the country's adversaries and lead to their eventual destruction. The extent of the damage inflicted by Hamas on Israel demands a decisive response, even if it entails significant sacrifices. The people of Israel, rallying for reserve duty in unprecedented numbers and orchestrating volunteer organizations to aid survivors and displaced people, are acutely aware of the formidable challenge ahead and are willing to bear the necessary burdens and costs.

The realistic objectives of the current ground phase of the war are not to eliminate every Hamas operative or completely demilitarize Gaza but to degrade Hamas (and its sometime ally, Palestinian Islamic Jihad) as a fighting force, destroy its infrastructure, and eliminate the direct threat it poses to Israeli communities near Gaza.



This will require the destruction of Hamas's nerve center in Gaza City, its underground facilities, and all its aboveground assets, such as military installations, headquarters, command-and-control centers, communications infrastructure, weapons manufacturing facilities, and arms depots.

In selecting targets to bomb or raid, the IDF painstakingly attempts to distinguish Hamas operatives and infrastructure from the noncombatant civilian population in accordance with the laws of war. This task is complicated by the intense density of Gaza's population within which Hamas deliberately operates and entrenches its military infrastructure and by the network of approximately 300 miles of tunnels that Hamas has built during the past 15 years, subterranean fortifications that stretch beneath every city in Gaza, often under critical civilian structures such as hospitals and schools.

To contend with the dilemma this poses, the IDF has consistently urged Gazans to evacuate the main operational zone in the northern part of Gaza and move south through secure corridors the IDF has established. Furthermore, the IDF refrains from striking Hamas military targets in which many civilians reside, allowing them to evacuate. Despite these precautions, the war has nevertheless produced a significant number of civilian casualties, frequently as a result of Hamas's tactic of using civilians as human shields. Hamas obstructs the evacuation of civilians from operational areas and sites, and it has even targeted the secure crossings established by the IDF with mortars, intentionally impeding civilians from relocating to the southern Gaza Strip.

In the face of such tactics, the IDF has gone to extraordinary lengths to prevent civilian casualties, exceeding the precautions taken by the militaries of most other democratic countries. As the war progresses, the IDF must maintain those standards, consistently communicate and demonstrate its commitment to adhere to the laws of war, and acknowledge any lapses on its own part.

To alleviate human suffering and to maintain the legitimacy of its military effort, Israel has permitted the entry of humanitarian aid into Gaza through Egypt. This excludes supplies that would directly aid Hamas's war effort, however, such as fuel beyond the amount required for operations that meet humanitarian needs such as hospitals, bakeries, water desalination, and sewage pumping. It was, after all, the influx of goods and energy that Israel allowed into Gaza in recent years that enabled Hamas to build the terrorist army that attacked Israeli territory on October 7.

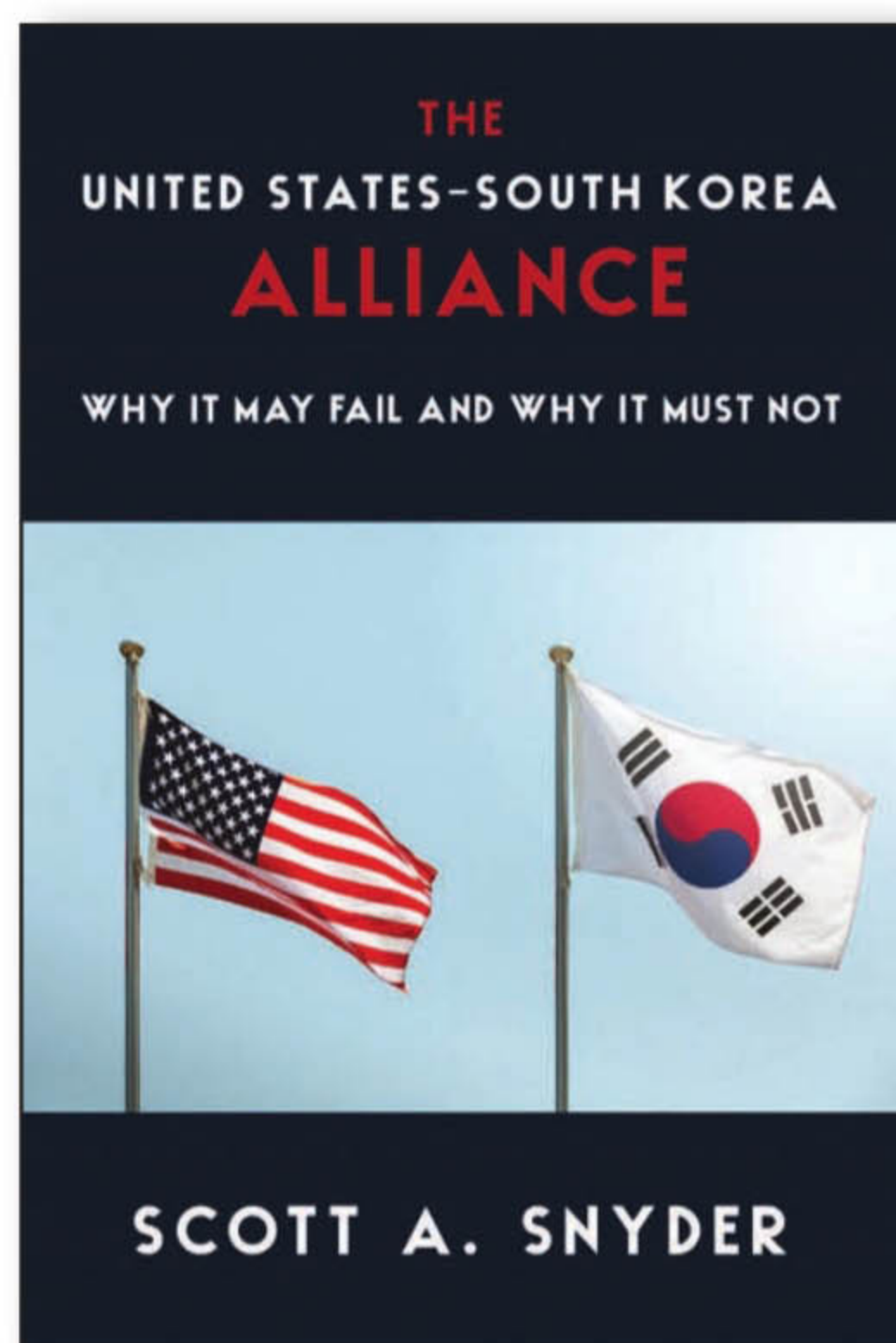
The ground operation will end only when Hamas ceases to function as a governing authority in Gaza and its military capabilities are significantly degraded. At that point, the campaign will transition to a new phase, likely spanning several years, at least until all the hostages have been released and have returned home safely. Targeted incursions into Gaza and airstrikes against Hamas will persist, and Israel will need to fortify a number of strategically significant areas near the border with Gaza to create a buffer zone to enhance border defense.

Meanwhile, the IDF will need to keep an eye on the Lebanese border.



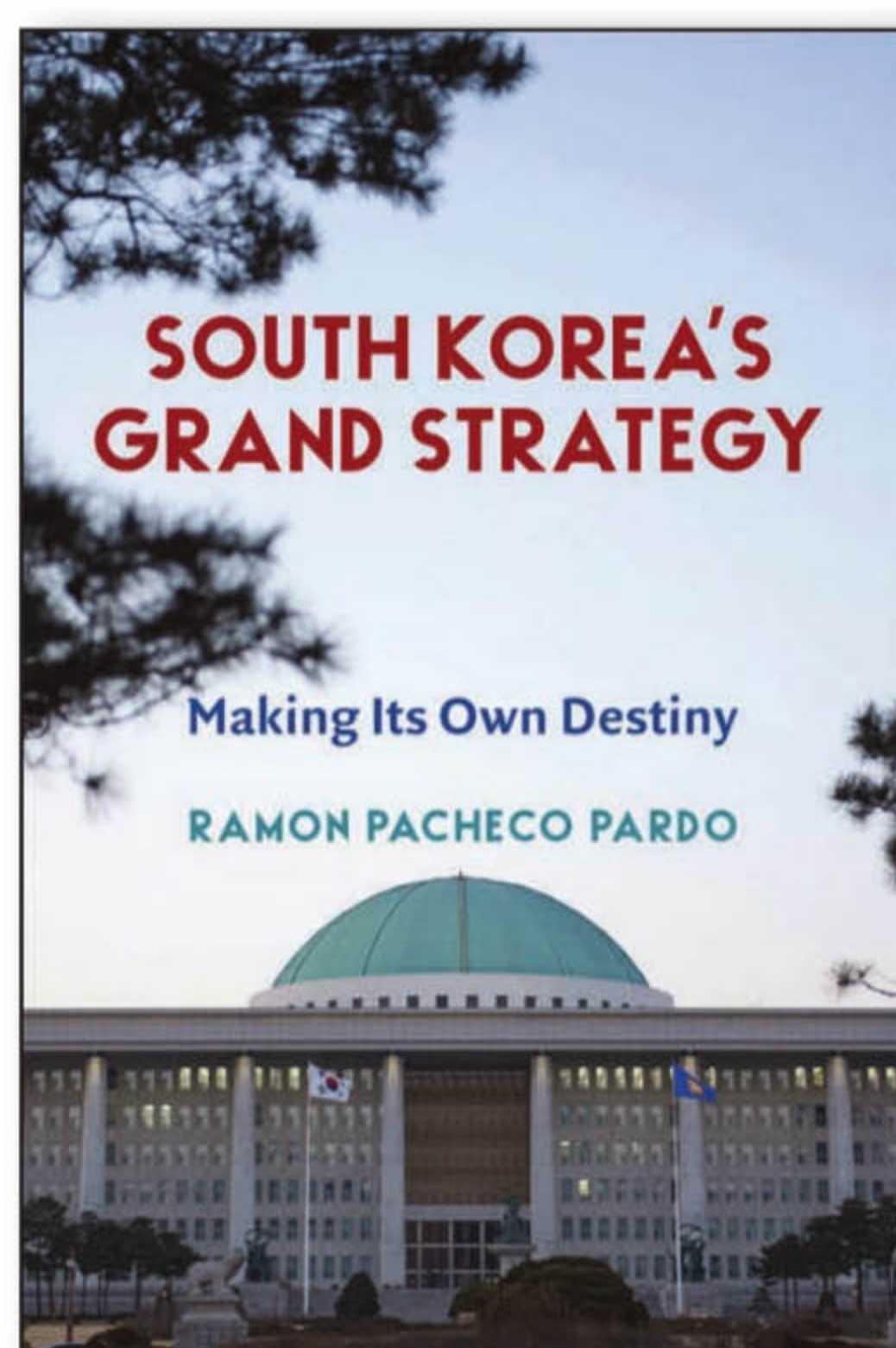


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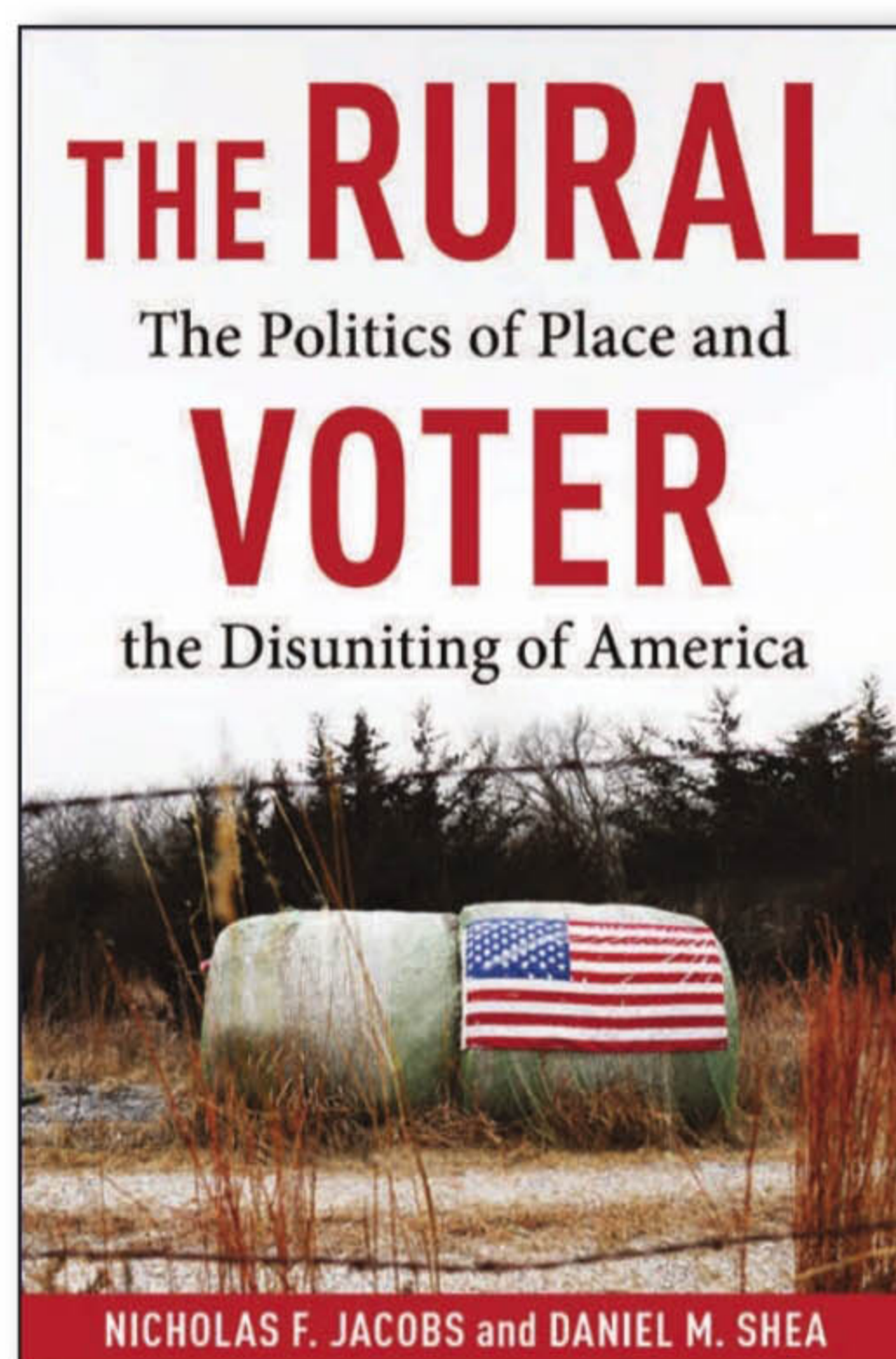
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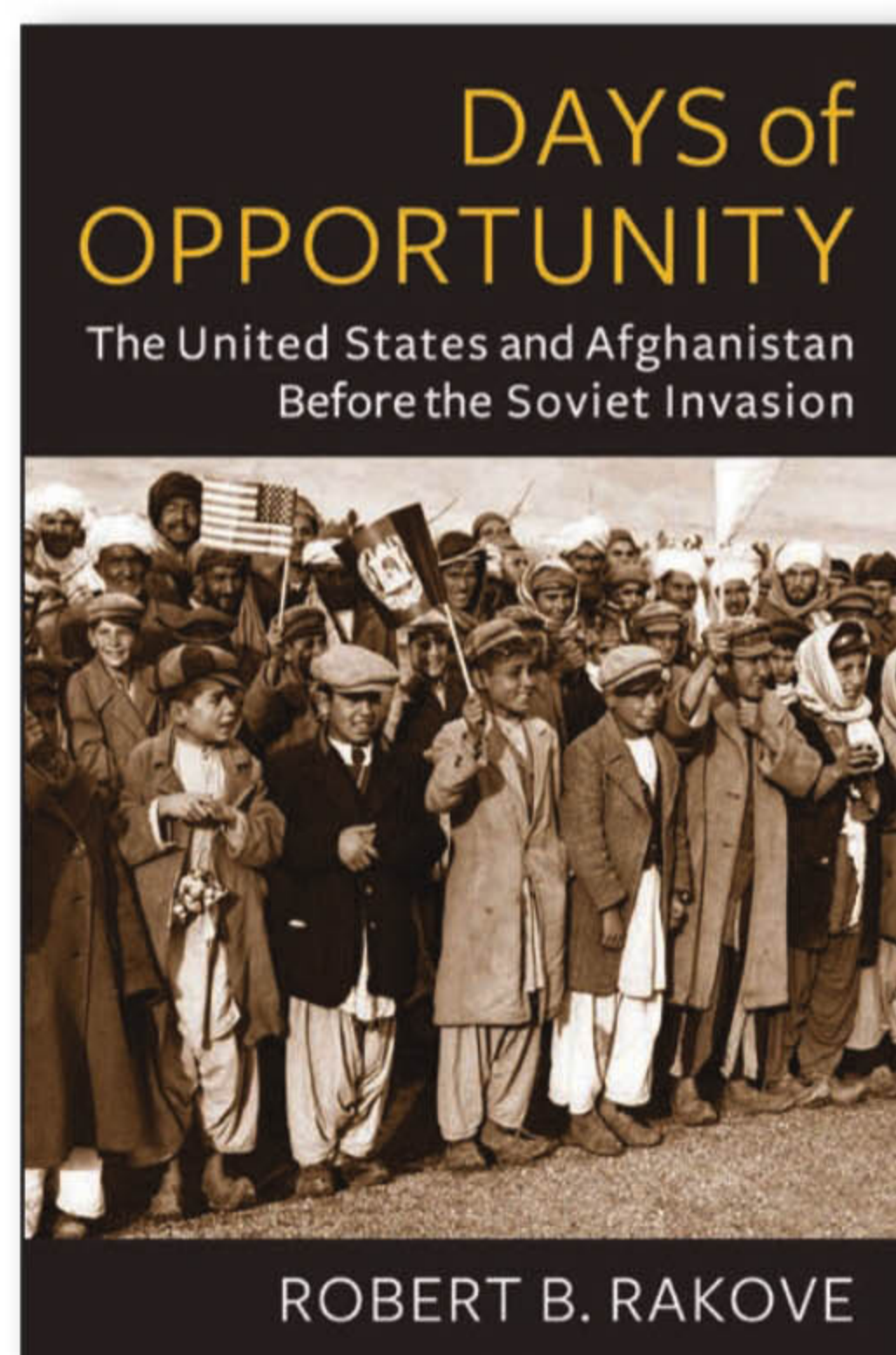
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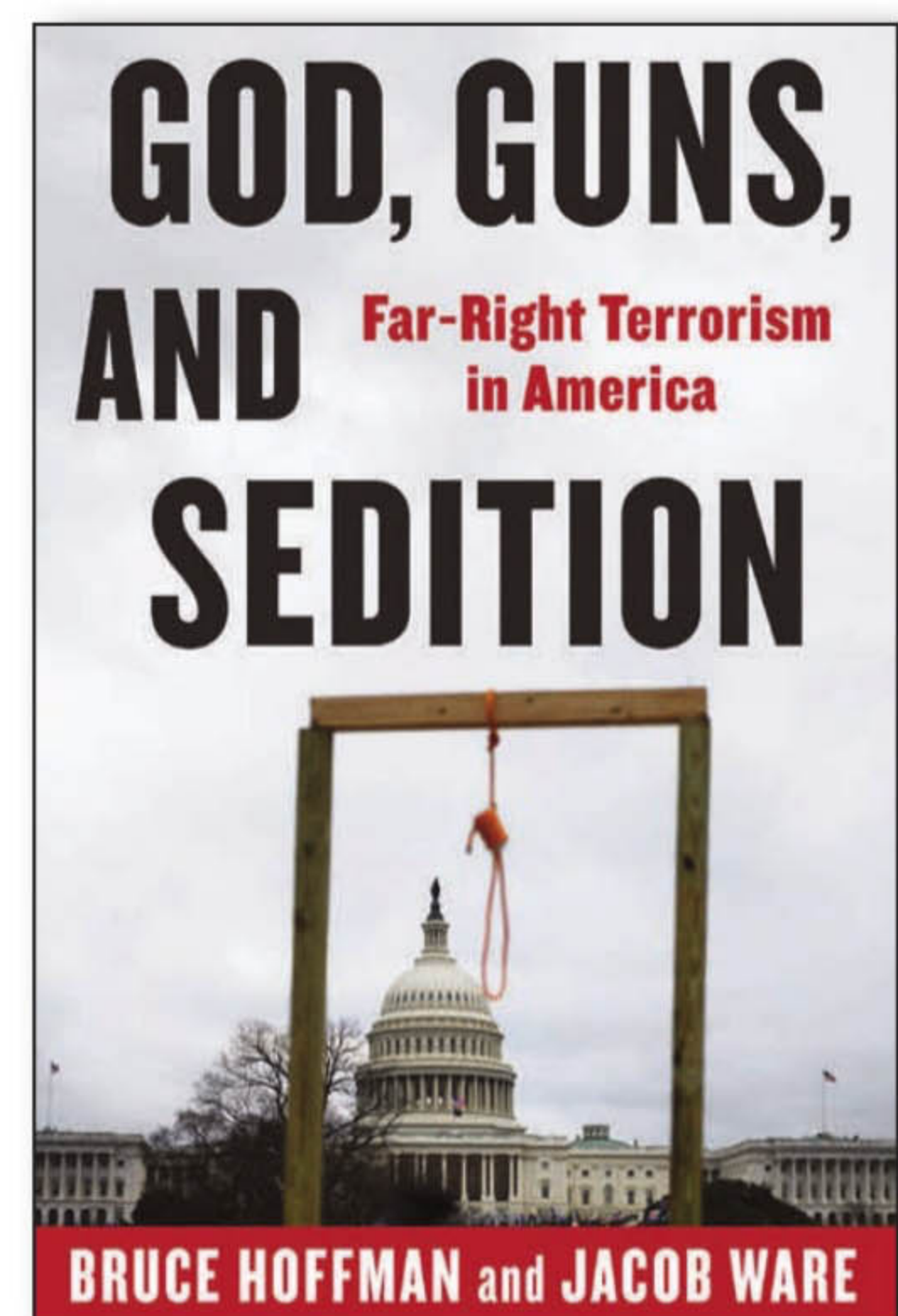
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—Arlie Russell Hochschild, author of  
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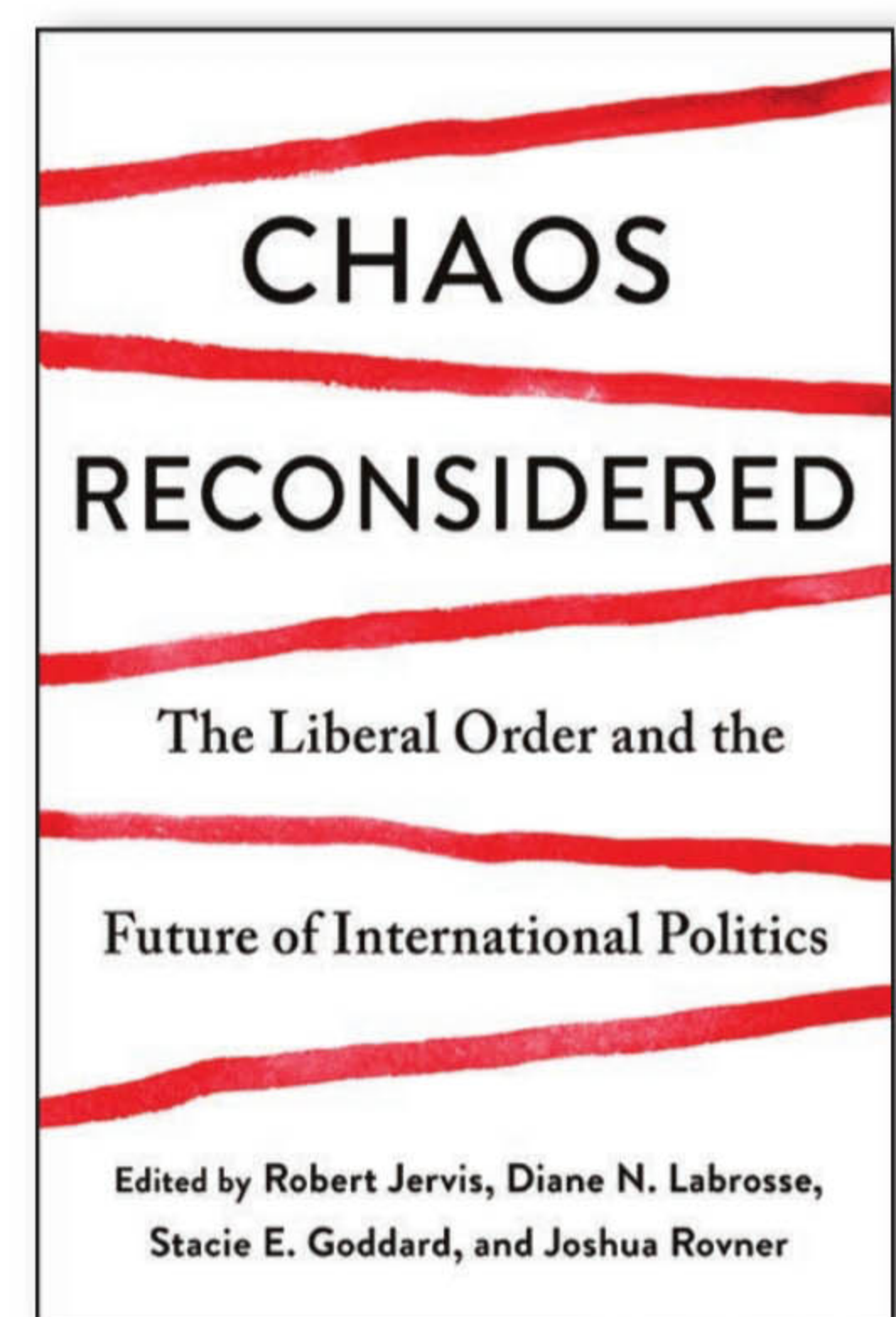
"In a narrative built on rich detail about individual diplomatic actors and their alliances, rivalries, and networks, Rakove offers tremendous insight on the extent, complexities, and contingencies of the Afghan-American bilateral relationship during the interwar and Cold War eras."

—Shah Mahmoud Hanifi, author of  
*Connecting Histories in Afghanistan*



"Bruce Hoffman and Jacob Ware rightly situate contemporary far-right growth within its long historical context while deftly analyzing today's unique challenges. A vital addition to the global understanding of supremacist terror and what we might do to turn the tide, and indispensable reading for anyone seeking to understand what is demonstrably the most pressing threat to democracy and social cohesion."

—Cynthia Miller-Idriss, author of  
*Hate in the Homeland: The New Global Far Right*



"*Chaos Reconsidered* is a stellar collection of essays examining the Trump years from a dizzying array of angles. Collecting them together will give scholars, students, and policymakers much to chew on, just as Robert Jervis intended."

—Elizabeth N. Saunders,  
Georgetown School of Foreign Service





Israel wants to keep Hezbollah out of the conflict but is prepared for a potential escalation on its northern border, whether due to a miscalculation or to an Iranian decision to order its proxy to open a new front in the war.

Following the conclusion of the main ground operation in Gaza, Israel will need to confront the substantial threat posed by Hezbollah's elite Radwan forces stationed along the Israeli-Lebanese border. These forces are a significant menace to Israel's northern villages and cities, which had already been evacuated at the onset of the war in Gaza. Israel must mobilize international pressure on Lebanon and Hezbollah to enforce and abide by the provisions of UN Security Council Resolution 1701, which prohibits Hezbollah (and any armed forces other than UN peacekeepers and the Lebanese military) from maintaining a military presence south of the Litani River, which runs about 18 miles north of the Israeli border, with the nearest point only 2.5 miles from the border. If diplomatic efforts prove unsuccessful, Israel will stand ready to take military action, even at the risk of escalating the hostilities into a broader conflict with Hezbollah.

#### GAZA AND GEOPOLITICS

To win this war, Israel will require the support of partners who share its strategic interests. A number of Arab states, the United States, and European countries will play pivotal roles. Their contributions will encompass military funding and support, a global campaign to curtail Hamas's funding, humanitarian assistance for civilians and displaced persons within Gaza (and possibly beyond),

reconstruction efforts, information campaigns to counter anti-Israeli and anti-Jewish propaganda worldwide, and, most crucially, the establishment of a legitimate governing authority in Gaza.

Under the leadership of President Joe Biden, the United States has played an important role in Israel's wartime decision-making, counseling restraint to prevent escalation in the north, demanding adherence to the laws of armed conflict, and pushing Israel to address the humanitarian crisis in Gaza. In the weeks since October 7, the Biden administration has deployed an unprecedented level of military aid and support. Aircraft carriers and U.S. forces have been rushed to the region on an unparalleled scale, intended to deter Iran and Hezbollah from intervening in the war, to protect American forces in the area from numerous attacks by other Iranian-backed Shiite militias, and to offer a robust response to such attacks. It is noteworthy, however, that Israel maintains its fundamental principle of defending itself by itself, refraining from requesting U.S. involvement at the cost of U.S. casualties.

Many European countries have also demonstrated unwavering support for Israel, extending beyond their immediate concerns regarding the safety of the European citizens held hostage by Hamas. High-ranking European leaders such as French President Emmanuel Macron, German Chancellor Olaf Scholz, and British Prime Minister Rishi Sunak have visited Israel to express solidarity. During his visit in late October, Macron even called for the establishment of an international coalition to combat Hamas, modeled on the one that has taken on ISIS since 2014.





Boots on the ground: Israeli soldiers in the Gaza Strip, November 2023

To secure the ongoing assistance of American and European leaders, many of whom are contending with domestic criticism of their support, Israel needs to enhance its geopolitical alignment with the bloc best represented by the United States and its NATO allies. This may involve a reevaluation of Israel's Ukraine policy, potentially leading to increased support for Kyiv's defense against Russian aggression. Additionally, Israel should strive to further increase humanitarian aid to Gaza, make clear that it does not intend to permanently occupy the territory, consistently reaffirm its adherence to the laws of war (and acknowledge any errors in that regard), and place its mission in Gaza within the context of a broader Israeli-Palestinian political process that can advance robust security arrangements and sustain the viability of the two-state solution.

In public, the leaders of many Arab states, including those with whom

Israel maintains relations, have roundly condemned its war in Gaza, driven by the fear of unrest and domestic instability. Behind closed doors, however, they worry about the threat of a resurgent Hamas, an extremist Muslim Brotherhood organization that has always posed a grave threat to Arab regimes—and serves the interests of their primary regional rival, Iran. Governments in Egypt, Jordan, Saudi Arabia, and the United Arab Emirates fear that any success Hamas achieves in the current struggle will embolden Sunni jihadi forces in their own countries and Shiite militias that Iran backs in nearby states such as Iraq, Lebanon, and Yemen.

In terms of securing global support for the war against Hamas outside of Europe, the United States, and the Gulf, the picture darkens. China and Russia have abstained from publicly condemning the Hamas attack, have sought to curtail Israel's efforts to dismantle the



organization by calling for an immediate cease-fire, and have unleashed anti-Semitic propaganda on social media and state-controlled media outlets. For its part, Russia is driven by a desire to divert the West's attention and resources away from the war in Ukraine and believes it will benefit from a heightened Middle East conflict. There is little reason to think Israel can do anything to change Moscow's orientation.

China's position, however, is more nuanced. More than anything, the country fears a regional conflict that could trigger a surge in oil prices that might damage its flagging post-COVID economic recovery. Given Israel's alignment with the West and the United States, it might be difficult for Israel to influence China's policy toward its war efforts in Gaza. But Israel could leverage Beijing's concerns about regional escalation to encourage it to pressure Iran to restrain Hezbollah and its proxies in Iraq and Yemen. Simultaneously, Israel must strengthen its strategic ties with India, which has notably supported Israel and condemned the Hamas attack; strong relations with New Delhi could help counter the criticism Israel faces from other countries in the global South.

#### THE STRUGGLE BACK HOME

Alongside the complex military and diplomatic operations, Israeli leaders must launch a number of initiatives at home that will be no less challenging. First, they must begin to restore a sense of normality in a traumatized society, beginning with the rebuilding of the communities near Gaza's border devastated by the Hamas attack and the repatriation of residents who fled their homes in Israel's north as a precau-

tion against an attack by Hezbollah. Economic activities throughout Israel should recommence immediately and should gradually return to their customary levels.

More fundamentally, the government must work to restore trust in the state's institutions among Israeli citizens. This will require new and unified leadership, the coordinated mobilization of all government ministries, and an official investigation into the origins of the Hamas attack. The current government—and especially Netanyahu—is unfit for this task. He and his close allies, after all, are responsible for the failure to address the problem of Gaza and Hamas over the past 15 years and for the unprecedented rift in Israeli society that reduced its preparedness in the months leading up to the attack. Israel will have to hold elections as soon as possible after the ground operation in Gaza ends, as long as security conditions, including in the north, allow for it.

Even before the main ground operation concludes and Israeli troops withdraw, Israel should initiate a dialogue with Arab countries and international partners to formulate a plan for the future governance of Gaza. The most promising approach would be the establishment of an interim administration to oversee the territory until the Palestinian Authority is capable of assuming that role. This administration would be led by the United States and the five Arab states that have established peace agreements with Israel. To pave the way for the PA's eventual return to Gaza, the international community, with Israeli assistance and coordination, must work with the PA



to build its governing capacities and address the corruption in its ranks.

Significant backing from the affluent Gulf Arab states will be indispensable to tackle the diverse economic, political, and security aspects of governance in Gaza. In this regard, the renewal of normalization talks between Israel and Saudi Arabia is crucial, as will be the integration of the kingdom into the project of governing Gaza. Tehran's role in helping Hamas develop in recent years may have heightened the level of interest in normalization within the anti-Iranian bloc of Arab countries. A new Israeli government committed to strengthening the PA and maintaining an open perspective on a two-state solution could further propel the normalization process forward.

A war against Hamas and the possibility of discussing a two-state solution may appear to sit uneasily. But since its inception, Hamas has opposed and undermined the prospect of two states; whenever talks between Israel and the Palestine Liberation Organization seemed to gain momentum, Hamas reliably launched terror attacks. The organization adamantly rejects the Oslo accords, refuses to acknowledge Israel's right to exist, and openly pursues its destruction. Consequently, the removal of Hamas from power in Gaza is not an impediment to the two-state idea: it is a necessary (although not sufficient) condition for any positive advancements in the Israeli-Palestinian relationship and in the Middle East in general.

#### BACK TO BASICS

In the wake of the trauma of October 7, Israel finds itself in a new reality. Going forward, it will have to set aside

perceptions, beliefs, and assumptions that have become customary in recent years and return to some foundational principles that it has neglected.

To deal with the presence of threatening military forces along its borders, Israel may find it necessary to shift from a reactive strategy of retaliation to a more proactive approach involving preventive strikes. Dismantling the Hamas regime in Gaza will help restore deterrence. The country will also need to reassess, enhance, and potentially overhaul its early-warning system, especially by increasing the use of human intelligence sources. The IDF will also need to shift its focus to anticipating breaches and building secondary lines of defense. The onus of achieving decisive outcomes will always rest on Israel's shoulders. Despite Israel's enduring commitment to self-reliance, however, it may prove necessary to formulate a more closely coordinated joint strategy with the United States, the country's most steadfast ally, and even some additional partners.

The last time Israel faced a challenge even remotely like this was in 1973. And at first, the Yom Kippur War seemed like a defeat for Israel; the Arab states certainly saw it that way. In the end, however, Israel came out on top, and its victory led to a groundbreaking peace agreement with Egypt—an outcome that set in motion virtually every positive development that has taken place in the region since then. It is too early to tell whether Israel will be able to once again turn suffering and loss into peace and progress. But even in this grim new reality, there is some cause for hope. 🌍



# Hamas's Asymmetric Advantage

## What Does It Mean to Defeat a Terrorist Group?

AUDREY KURTH CRONIN

Israel responded to Hamas's horrific attack on October 7 with overwhelming force. In the wake of the bloody terrorist raid, Israeli Defense Minister Yoav Gallant vowed to "wipe Hamas off the face of the earth." The Israeli military called up over 350,000 reservists and launched attacks on the Gaza Strip with the aim of eliminating the political and military wings of Hamas. Since then, Israeli forces have killed thousands of Palestinians, many of them women and children, piling agony on top of agony.

That Israel met Hamas's violence with violence is not remotely surprising, given the Israeli military's incomparable conventional military superiority to Hamas. Israel has long responded to Palestinian terrorism with inordinate force. The Israeli

military is stronger, larger, and better resourced than Hamas and other Palestinian terrorist groups, and Israeli planners know that their foes cannot go toe to toe with the Israel Defense Forces (IDF).

Yet Israel's military advantages are growing slimmer. Hamas has proved difficult, if not impossible, to vanquish with military force. Technology has shrunk the gap between states and terrorists, allowing nonstate groups to behave in ways that mimic the operations of countries; Hamas can launch sophisticated attacks and spread propaganda much as Israel can. Ancient tactics, too, such as the construction of a warren of tunnels beneath Gaza, have helped Hamas fend off a more powerful adversary. And Hamas gained leverage by capturing some

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240 hostages. States have always struggled to defeat terrorist groups, but the Israel-Hamas war shows why it has gotten even harder to do so.

For Israel, perhaps the most galling outcome of this asymmetry is that its armed forces may have played squarely into Hamas's hands by striking Gaza with tremendous force. Hamas was founded with the goal of eradicating Israel, but the group is not capable of doing that, so it wields terrorism to gain attention and allies. The bloodshed on October 7 was intended to provoke the Israeli military into an overreaction that would undermine international sympathy for Israel, stoke an uprising in the West Bank and Jerusalem, and rally support for Hamas, notably from Iran and the Lebanese militant group Hezbollah. Hamas has used the deaths of both Israelis and Palestinian civilians to promote its political agenda. In many ways, the group has succeeded. The best way for Israel to defeat Hamas, therefore, is to regain the moral high ground by moderating its use of force and offering more protection to Palestinian civilians. It will be difficult for Israeli leaders to show restraint because their constituents are furious. But doing so is the only way Israel can cut off Hamas's ability to draw support and incite further violence.

#### CREATIVE DESTRUCTION

States no longer have a monopoly on the resources needed to project power and promote narratives. Many advances in technology have disproportionately benefited terrorist groups. In fact, modern terrorism can be chalked up to the invention of dynamite in 1867. Previ-

ous gunpowder projectiles—such as seventeenth-century grenades or Orsini bombs, the spiky explosives used by anarchists in the nineteenth century—were finicky and heavy. But dynamite is easily concealed under clothing and can be swiftly lit and tossed at a target. The result was terrorism carried out by small groups and individuals, such as the 1881 assassination by dynamite of the Russian Tsar Alexander II.

The Kalashnikov assault rifle, also known as the AK-47, was the next major technological boon to terrorists. Firearms had been around for centuries but were expensive, difficult to maintain, and more effective in the hands of trained professionals. Early machine guns, including Gatling and Maxim guns, were used by European colonial powers to wreak devastation, as when British soldiers killed hundreds of Zulu warriors in 1879 in the Battle of Ulundi in what is today South Africa. The same gun models were used by private security forces, federal and state troops, and police departments to put down labor strikes; in 1892, the Pennsylvania National Guard used Gatling guns to end a strike at the Carnegie Steel Company.

The AK-47, invented in 1947 in the Soviet Union, changed the equation in favor of nonstate actors. It was easy to carry and use, weighing around ten pounds. Today it is thought to be the most widely used firearm in history, earning its reputation as a symbol for terrorists around the world. The al Qaeda leader Osama bin Laden often had a later-model Kalashnikov propped up behind him in his video addresses. Hezbollah's flag bears an assault rifle similar to





Armed and dangerous: members of Hamas displaying drones in Gaza City, Gaza, October 2022

the AK-47. The statistics are telling: between 1775 and 1945, insurgents won against state armies about 25 percent of the time. Since 1945, that figure has jumped to around 40 percent. Much of that change can be attributed to the introduction and global spread of the AK-47.

On October 7, Hamas militants appear to have used old Chinese and Soviet AK-47s to storm Israeli military outposts, kill civilians, and take hostages. But they also used some relatively new tactics and technologies. The group began its assault by firing thousands of rockets to overwhelm Israel's Iron Dome missile defense system. Hamas and Palestinian Islamic Jihad, another terrorist group based in Gaza, have smuggled rockets from Iran and can make some explosives and missiles themselves from commercial parts. Earlier Qassam missiles built by Hamas around 2005 had a

range of about ten miles. The missiles they used on October 7 can travel 150 miles. Like the Ukrainians, who have successfully used commercial drones to attack tanks and troops, Hamas and PIJ have been innovative in building their own weapons systems. To avoid Israeli air defenses, Hamas launched dozens of Zouari suicide drones, fixed-wing weapons that Hamas made with materials that are available in Gaza. Hamas also used small commercial-grade drones to drop grenades on Israeli observation towers and on remotely operated machine guns. Such drones can be purchased online and can evade Israel's radar systems by flying slowly and close to the ground. Hamas's attack was successful because it inundated Israeli defenses with cheap, accessible weapons.

A revolution in information technology has also benefited terrorists, allowing them to magnify the impact



of their violence. The invention of satellite television facilitated an uptick in global terrorism in the 1970s: over the last 50 years, the Global Terrorism Database notes, the highest number of terrorist attacks in the combined regions of North America and western Europe was recorded in 1979. Satellite television enabled terrorists to publicize their cause, drawing support and recruits. Black September, a terrorist group connected to the Palestine Liberation Organization, took advantage of satellite television when it kidnapped and murdered 11 Israeli athletes at the 1972 Summer Olympics in Munich in front of 800 million television viewers, reaching roughly one in five people on the planet. The massacre raised the profile of Palestinian nationalism and sparked copycat attacks, even though Israel obliterated Black September after the Munich killings.

Social media has had a comparable effect on terrorism. Hamas is now on a similar footing with Israel in its ability to project its own narrative about the war. Hamas uses the messaging app Telegram to recruit new members and spread misinformation. Even after Israel cut off electricity and shut down the Internet in Gaza, Hamas was able to proliferate disinformation on messaging apps and social media by relying on a global army of sympathizers. Such blackouts may have mostly hurt Israel, as they made it more difficult for trusted media organizations to verify facts on the ground. A great deal of the online information about the Israel-Hamas war is challenging to collect and verify. Many observers unintention-

ally promote falsehoods, including well-meaning nongovernmental organizations, media outlets, and open-source intelligence groups that make every effort to cross-reference videos and photographs of the war through the use of satellite imagery, maps, geolocation tools, and reverse image searches. In late October, for example, *The New York Times* acknowledged that its initial reporting on an explosion at a hospital in Gaza City a few days earlier had “relied too heavily on claims by Hamas government officials” that “an Israeli airstrike was the cause.” The U.S., Canadian, and French governments said later that evidence suggested that the explosion was caused by an errant missile fired from within Gaza.

#### TUNNEL VISION

Tunnels provide Hamas with another asymmetric advantage. In 2021, the group claimed to have built over 300 miles of tunnels—a strategy that has been used for thousands of years by groups facing more powerful or entrenched adversaries: Jews against Romans in Judea in the first century, Union troops against Confederates in the siege of Petersburg in 1864, Japanese soldiers against the U.S. Marines in Peleliu in 1944, the Vietcong against American troops in the Vietnam War, and more recently, al Qaeda and the Islamic State against American forces and Hezbollah against the IDF. Tunnels can be used to smuggle goods, to launch operations, and to store food, weapons, and militants. A single fighter who knows a tunnel's layout can hold off dozens of enemy soldiers groping in the dark.



Tunnels allow Hamas fighters to move through the city even when Israeli forces have taken the streets above, making it easy to ambush them. Firing a weapon in a tunnel can injure the shooter more than the target because bullets may ricochet or produce sound and shock waves that can cause concussions. Night-vision goggles work poorly in tunnels because there is no ambient light, and soldiers cannot rely on hand or arm signals in the pitch dark. It is also difficult for commanders to communicate with soldiers in tunnels because of weak signals for communication devices.

Well-equipped armies can try to use robotic tools to fight against groups that dig tunnels. Aerial drones can map out tunnels by using high-resolution cameras and sensors, and unmanned ground-based robots can scout, test air quality, record distances, move supplies, carry weapons, and shield soldiers. But they can go only so far. Uneven ground, wet surfaces, and unexpected obstacles such as tripwires or even rocks can topple robots. In narrow spaces, disabled robots become obstacles themselves.

Israel could use massive bombs to destroy tunnels, but doing so would kill thousands more civilians in the process—winning the country only more international opprobrium and promoting Hamas's narrative that the IDF deliberately slaughters innocent people. Even if the military operation were successful, the political cost would further isolate Israel and spur more people to take up arms against it.

Hamas's most important asymmetric advantage has been strategic:

its exploitation of Israel's response to its assault. Because the goal of Hamas's attack was to provoke Israel into a counterproductive overreaction, the IDF's bludgeoning response has inflamed public opinion in the region against Israel exactly as Hamas wanted. In recent years, Israel had succeeded in convincing several Arab governments to put concerns about Palestinians aside and normalize bilateral relations. Hamas wanted to halt or reverse that trend—and for the time being, it has.

Put simply, Israel took the bait by responding to Hamas's attack with violent repression, a popular but rarely successful method of counterterrorism that works best when members of terrorist groups can be distinguished and separated from the civilian population—an impossible task in Gaza. According to Hamas, Israel killed over 11,000 people in the territory within a handful of weeks after the October 7 attack. With every civilian death, Israel invites a global backlash that makes it harder to defeat Hamas and protect Israeli citizens.

#### MOVING FORWARD, HOLDING BACK

Israel can make some gains against Hamas with better surveillance, stronger defenses, and increased use of advanced technologies such as artificial intelligence-assisted targeting, counterdrone capabilities, and Iron Dome interceptors. Hamas no longer enjoys the element of surprise. Unless it is joined by Hezbollah, its ability to project force has peaked. Tunnel warfare will be slow, costly, and extremely difficult for Israel—but Hamas cannot



win by indefinitely hiding in the dark. Hamas's ability to integrate operations has been damaged by the shutdown of Internet, cellular, and landline telephone capabilities in Gaza. Israel is preventing Hamas's forces from easily coordinating with one another, gathering intelligence, and reaching political leaders in Lebanon. It should continue to isolate Hamas in this way.

But more important, Israel needs to counter Hamas's political mobilization—that is, cut off its ability to attract attention, recruits, and allies. Doing so would involve using force discriminately and reclaiming the moral high ground it had in the immediate aftermath of the attack but quickly forfeited with a reckless bombing campaign that killed “far too many” Palestinian civilians, in the words of U.S. Secretary of State Antony Blinken. Israel should, for example, clearly articulate that its enemies are Hamas fighters, not Palestinian civilians. Hurting the latter is morally wrong and often illegal—and strategically counterproductive. (To adapt a line often attributed to Talleyrand, Napoleon's minister of foreign affairs, killing civilians in a fight against terrorists is worse than a crime; it is a mistake.) After weeks of pressure from the Biden administration, Israel agreed on November 4 to what it calls a “humanitarian corridor” that opens for four hours each day so that civilians can escape from the war zone to the south in Gaza, and international actors can supply food, water, and medicine to those who are trapped. Hamas, PIJ, and other hostage-holding gangs apparently do not care about starving Palestinian civilians; but Israel must.

In addition, Israel must not drive the Palestinian Authority toward supporting Hamas. As the terrorism expert Daniel Byman wrote in *Foreign Affairs*, Israel needs to avoid inciting anger in the West Bank, preventing settlers from attacking Palestinians and punishing those who do. Israel should also keep tax and customs revenue flowing to the Palestinian Authority, which has suppressed riots by Hamas sympathizers in the West Bank.

Israel has few ways to eliminate Hamas's asymmetric advantages. The country cannot reverse technological change or completely shut down pro-Hamas messaging on social media. But Israel does have the power to react to Hamas's terror attack strategically, and with restraint. Doing so can sap Hamas of much of its power. Given that Hamas designed its attack to stoke an overreaction from Israel, the best thing Israel can do now is to refuse to play into Hamas's hands. 🌐





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# The Self-Doubting Superpower

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America Shouldn't Give Up  
on the World It Made

FAREED ZAKARIA

Most Americans think their country is in decline. In 2018, when the Pew Research Center asked Americans how they felt their country would perform in 2050, 54 percent of respondents agreed that the U.S. economy would be weaker. An even larger number, 60 percent, agreed that the United States would be less important in the world. This should not be surprising; the political atmosphere has been pervaded for some time by a sense that the country is headed in the wrong direction. According to a long-running Gallup poll, the share of Americans who are “satisfied” with the way things are going has not crossed 50 percent in 20 years. It currently stands at 20 percent.

Over the decades, one way of thinking about who would win the presidency was to ask: Who is the more optimistic candidate? From John F. Kennedy to Ronald Reagan to Barack Obama, the sunnier

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outlook seemed to be the winning ticket. But in 2016, the United States elected a politician whose campaign was premised on doom and gloom. Donald Trump emphasized that the U.S. economy was in a “dismal state,” that the United States had been “disrespected, mocked, and ripped off” abroad, and that the world was “a total mess.” In his inaugural address, he spoke of “American carnage.” His current campaign has reprised these core themes. Three months before declaring his candidacy, he released a video titled “A Nation in Decline.”

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Of the ten  
most valuable  
companies in the  
world, nine are  
American.

Joe Biden’s 2020 presidential campaign was far more traditional. He frequently extolled the United States’ virtues and often recited that familiar line, “Our best days still lie ahead.” And yet, much of his governing strategy has been predicated on the notion that the country has been following the wrong course, even under Democratic presidents, even during the Obama-Biden administration. In an April

2023 speech, Biden’s national security adviser, Jake Sullivan, criticized “much of the international economic policy of the last few decades,” blaming globalization and liberalization for hollowing out the country’s industrial base, exporting American jobs, and weakening some core industries. Writing later in these pages, he worried that “although the United States remained the world’s preeminent power, some of its most vital muscles atrophied.” This is a familiar critique of the neoliberal era, one in which a few prospered but many were left behind.

It goes beyond mere critique. Many of the Biden administration’s policies seek to rectify the apparent hollowing out of the United States, promoting the logic that its industries and people need to be protected and assisted by tariffs, subsidies, and other kinds of support. In part, this approach may be a political response to the reality that some Americans have in fact been left behind and happen to live in crucial swing states, making it important to court them and their votes. But the remedies are much more than political red meat; they are far-reaching and consequential. The United States currently has the highest tariffs on imports since the Smoot-Hawley Act of 1930. Washington’s economic policies are increasingly defensive, designed to protect a country that has supposedly lost out in the last few decades.

A U.S. grand strategy that is premised on mistaken assumptions will lead the country and the world astray. On measure after measure,



the United States remains in a commanding position compared with its major competitors and rivals. Yet it does confront a very different international landscape. Many powers across the globe have risen in strength and confidence. They will not meekly assent to American directives. Some of them actively seek to challenge the United States' dominant position and the order that has been built around it. In these new circumstances, Washington needs a new strategy, one that understands that it remains a formidable power but operates in a far less quiescent world. The challenge for Washington is to run fast but not run scared. Today, however, it remains gripped by panic and self-doubt.

#### STILL NUMBER ONE

Despite all the talk of American dysfunction and decay, the reality is quite different, especially when compared with other rich countries. In 1990, the United States' per capita income (measured in terms of purchasing power) was 17 percent higher than Japan's and 24 percent higher than Western Europe's. Today, it is 54 percent and 32 percent higher, respectively. In 2008, at current prices, the American and eurozone economies were roughly the same size. The U.S. economy is now nearly twice as large as the eurozone. Those who blame decades of American stagnation on Washington's policies might be asked a question: With which advanced economy would the United States want to have swapped places over the last 30 years?

In terms of hard power, the country is also in an extraordinary position. The economic historian Angus Maddison argued that the world's greatest power is often the one that has the strongest lead in the most important technologies of the time—the Netherlands in the seventeenth century, the United Kingdom in the nineteenth century, and the United States in the twentieth century. America in the twenty-first century might be even stronger than it was in the twentieth. Compare its position in, say, the 1970s and 1980s with its position today. Back then, the leading technology companies of the time—manufacturers of consumer electronics, cars, computers—could be found in the United States but also in Germany, Japan, the Netherlands, and South Korea. In fact, of the ten most valuable companies in the world in 1989, only four were American, and the other six were Japanese. Today, nine of the top ten are American.

What is more, the top ten most valuable U.S. technology companies have a total market capitalization greater than the combined value of



the stock markets of Canada, France, Germany, and the United Kingdom. And if the United States utterly dominates the technologies of the present—centered on digitization and the Internet—it also seems poised to succeed in the industries of the future, such as artificial intelligence and bioengineering. In 2023, as of this writing, the United States has attracted \$26 billion in venture capital for artificial intelligence startups, about six times as much as China, the next highest recipient. In biotech, North America captures 38 percent of global revenues while all of Asia accounts for 24 percent.

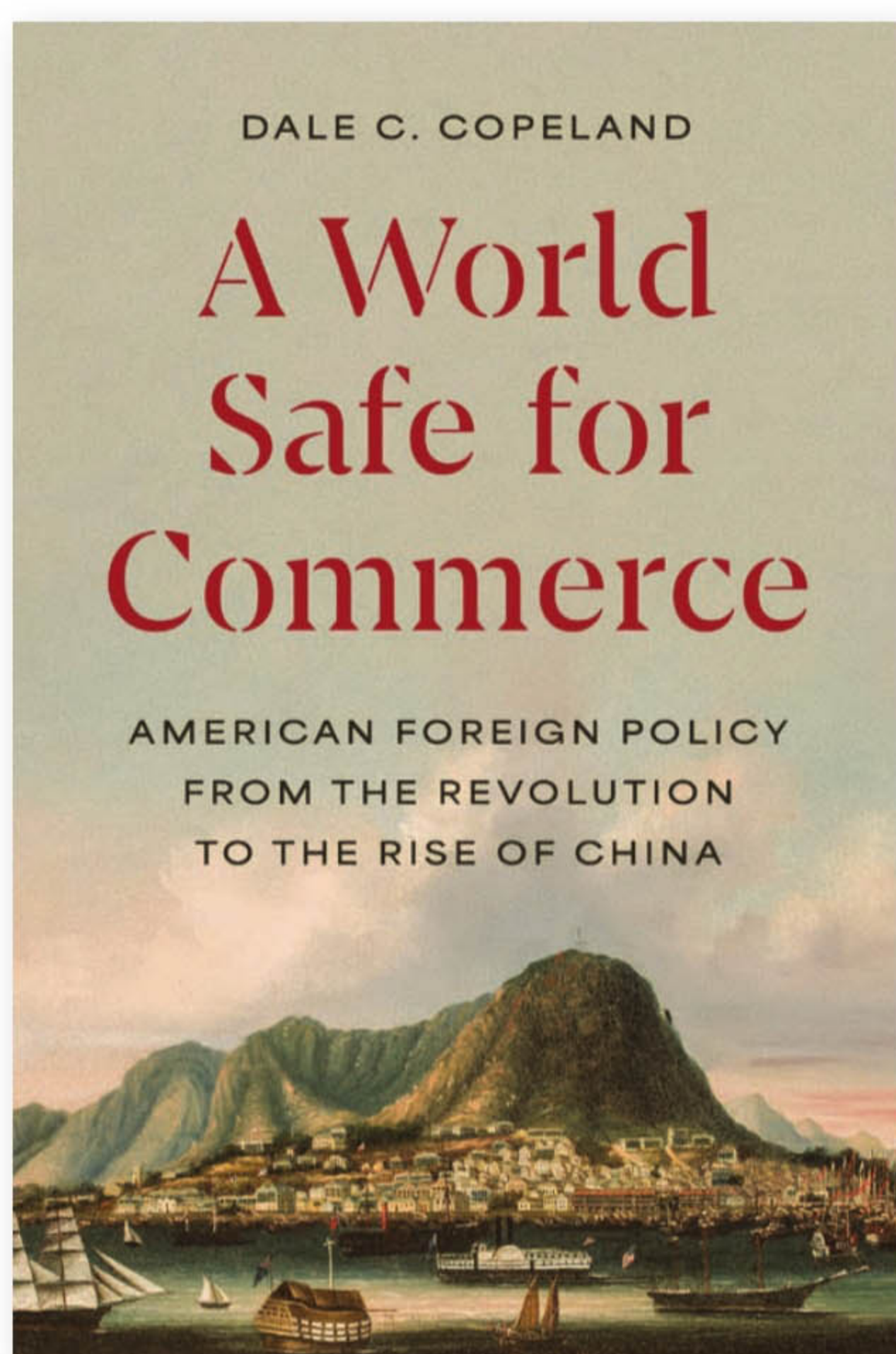
In addition, the United States leads in what has historically been a key attribute of a nation's strength: energy. Today, it is the world's largest producer of oil and gas—larger even than Russia or Saudi Arabia. The United States is also massively expanding production of green energy, thanks in part to the incentives in the Inflation Reduction Act of 2022. As for finance, look at the list of banks designated “globally systemically important” by the Financial Stability Board, a Switzerland-based oversight body; the United States has twice as many such banks as the next country, China. The dollar remains the currency used in almost 90 percent of international transactions. Even though central banks' dollar reserves have dropped in the last 20 years, no other competitor currency even comes close.

Finally, if demography is destiny, the United States has a bright future. Alone among the world's advanced economies, its demographic profile is reasonably healthy, even if it has worsened in recent years. The U.S. fertility rate now stands around 1.7 children per woman, below the replacement level of 2.1. But that compares favorably with 1.5 for Germany, 1.1 for China, and 0.8 for South Korea. Crucially, the United States makes up for its low fertility through immigration and successful assimilation. The country takes in around one million legal immigrants every year, a number that fell during the Trump and COVID-19 years but has since rebounded. One in five of all people on earth who live outside their country of birth live in the United States, and its immigrant population is nearly four times that of Germany, the next-largest immigration hub. For that reason, whereas China, Japan, and Europe are projected to experience population declines in the coming decades, the United States should keep growing.

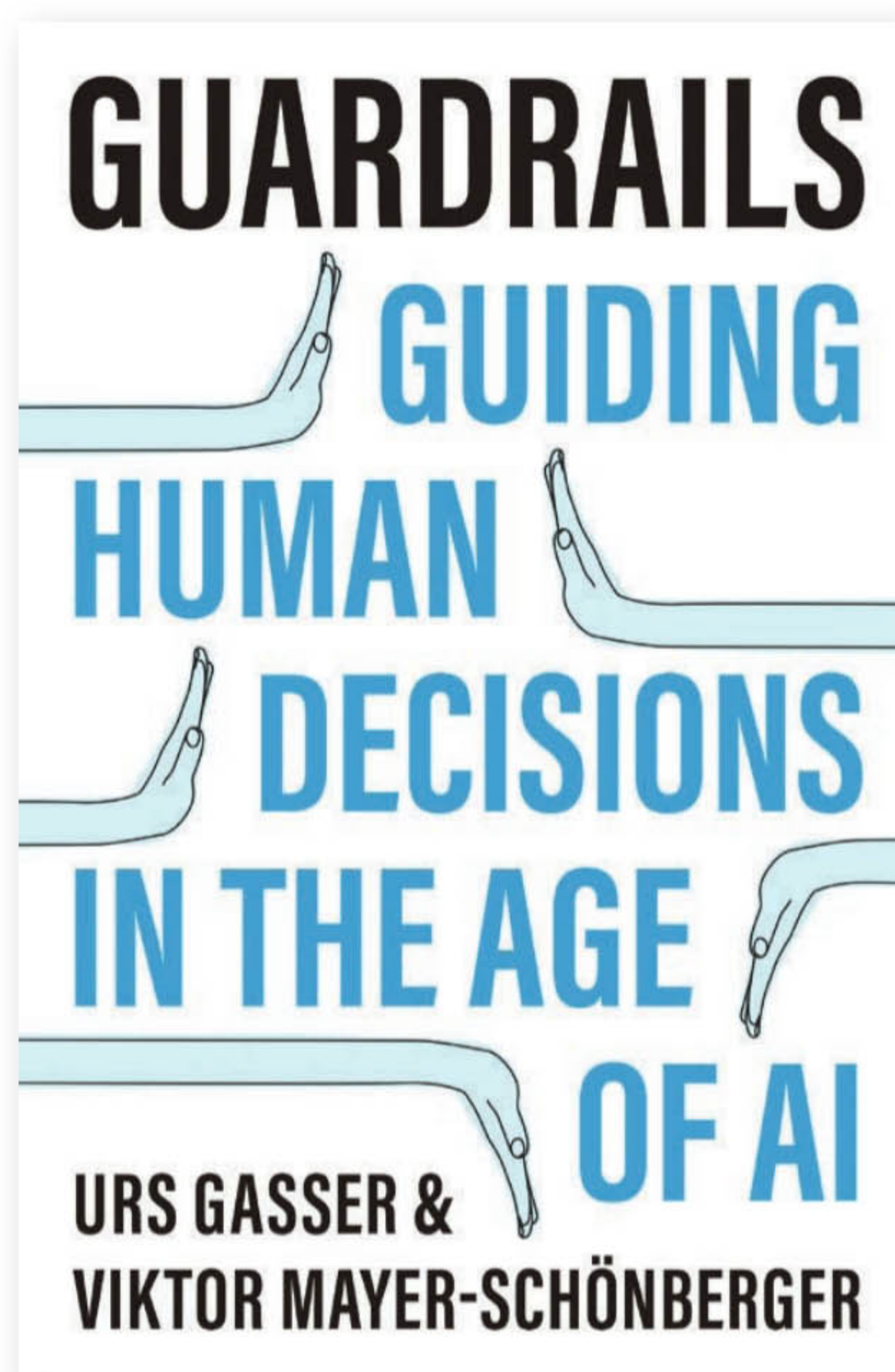
Of course, the United States has many problems. What country doesn't? But it has the resources to solve these problems far more easily than most other countries. China's plunging fertility rate, for example,



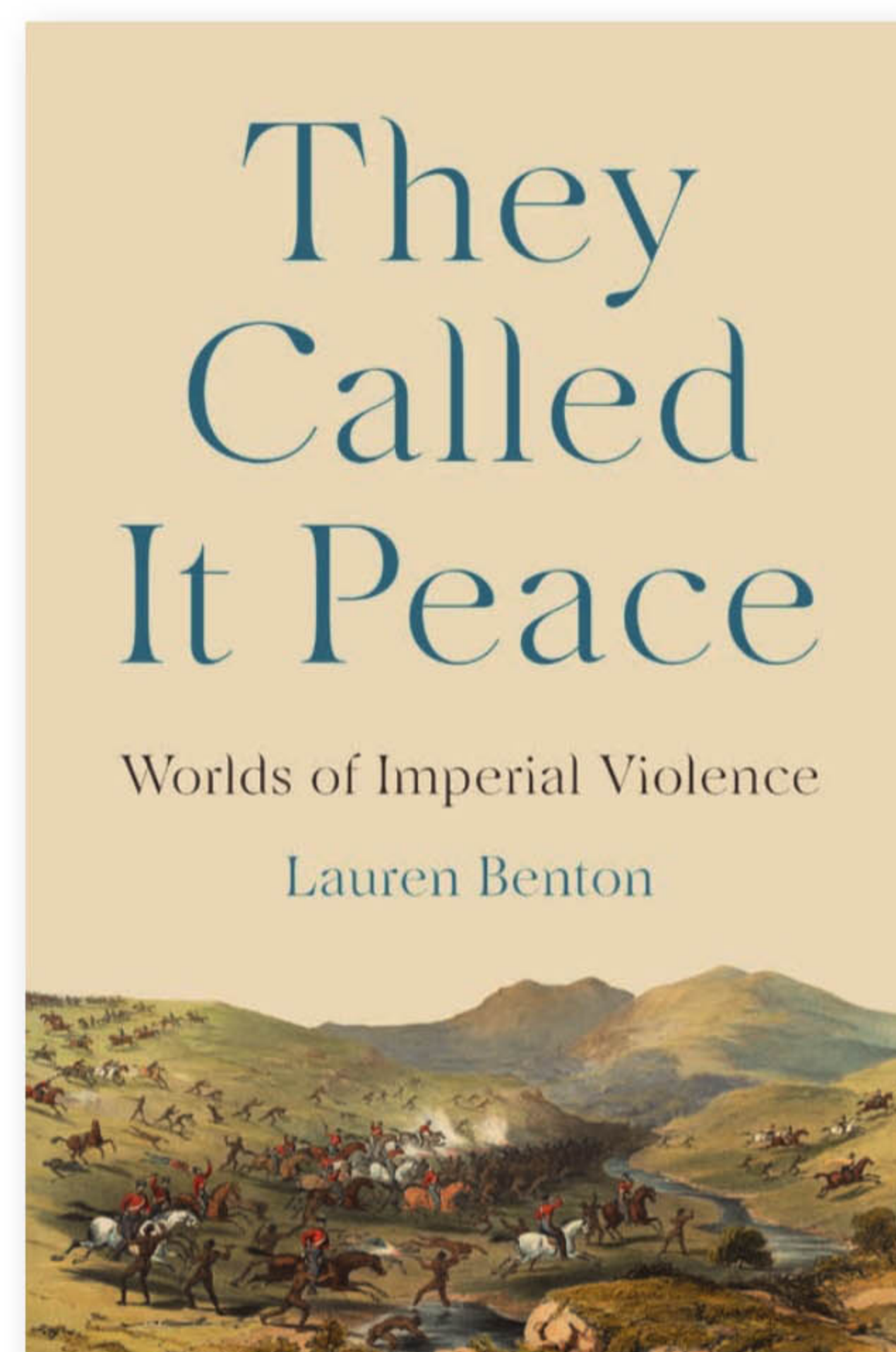
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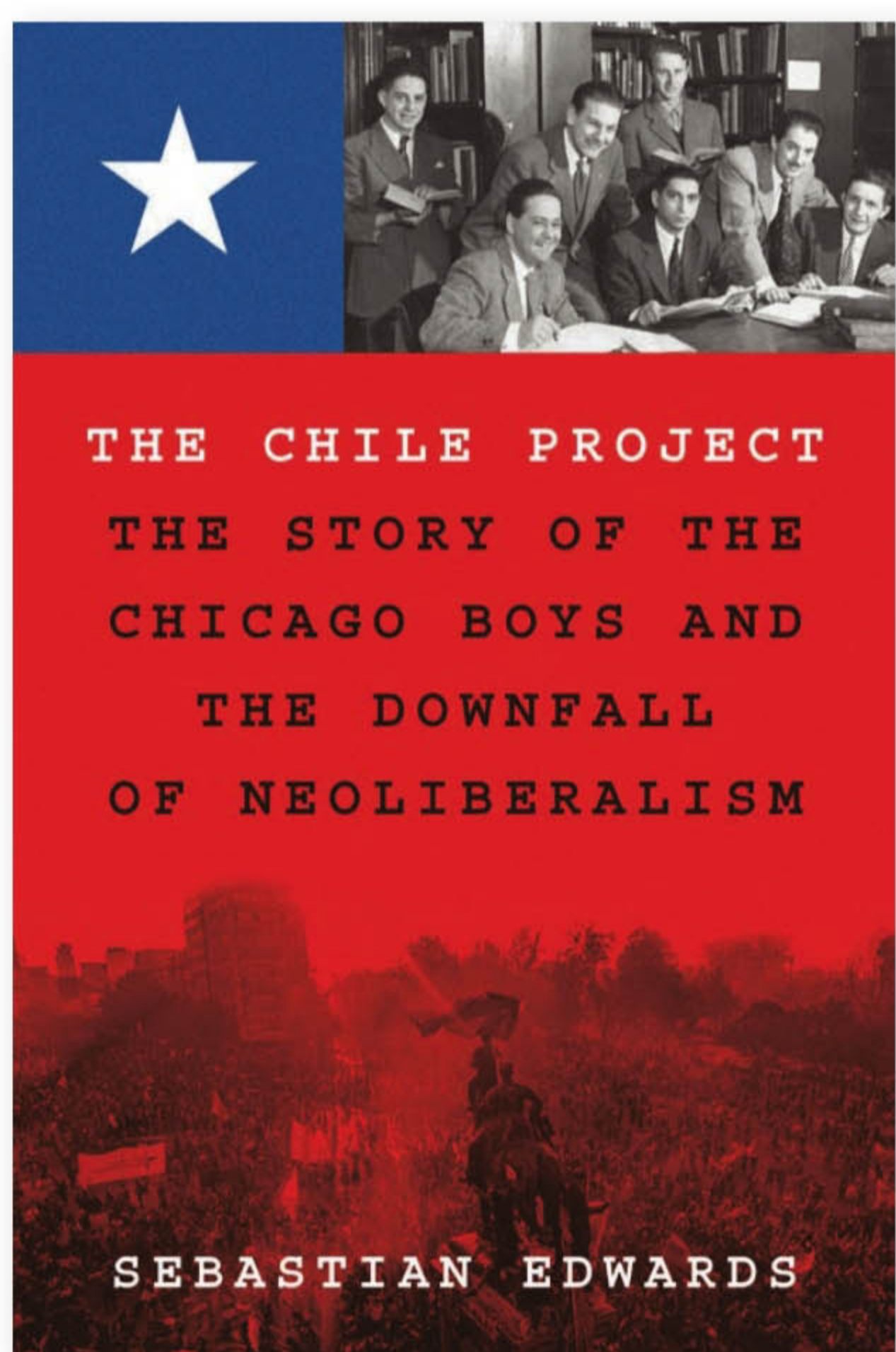
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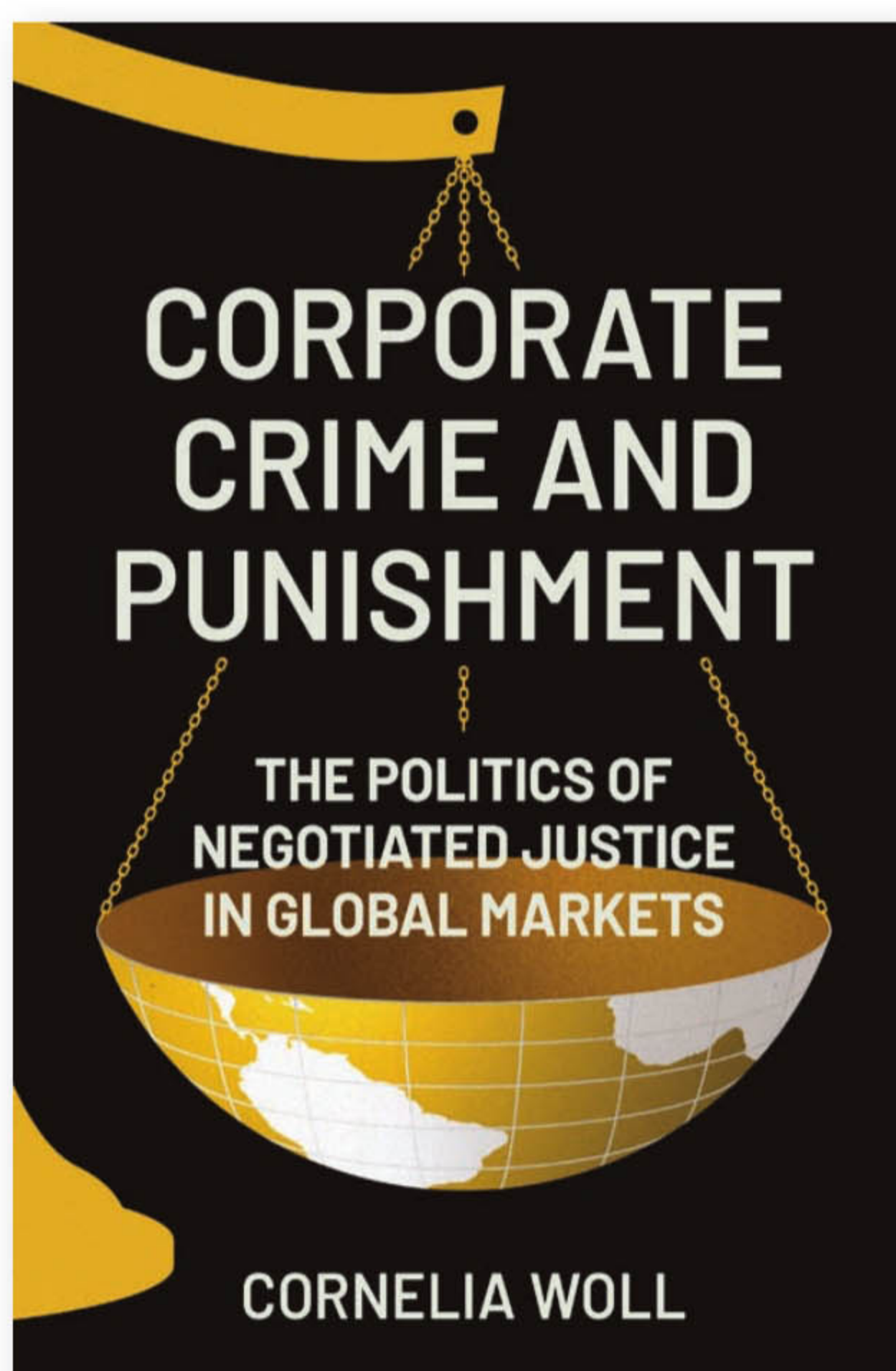
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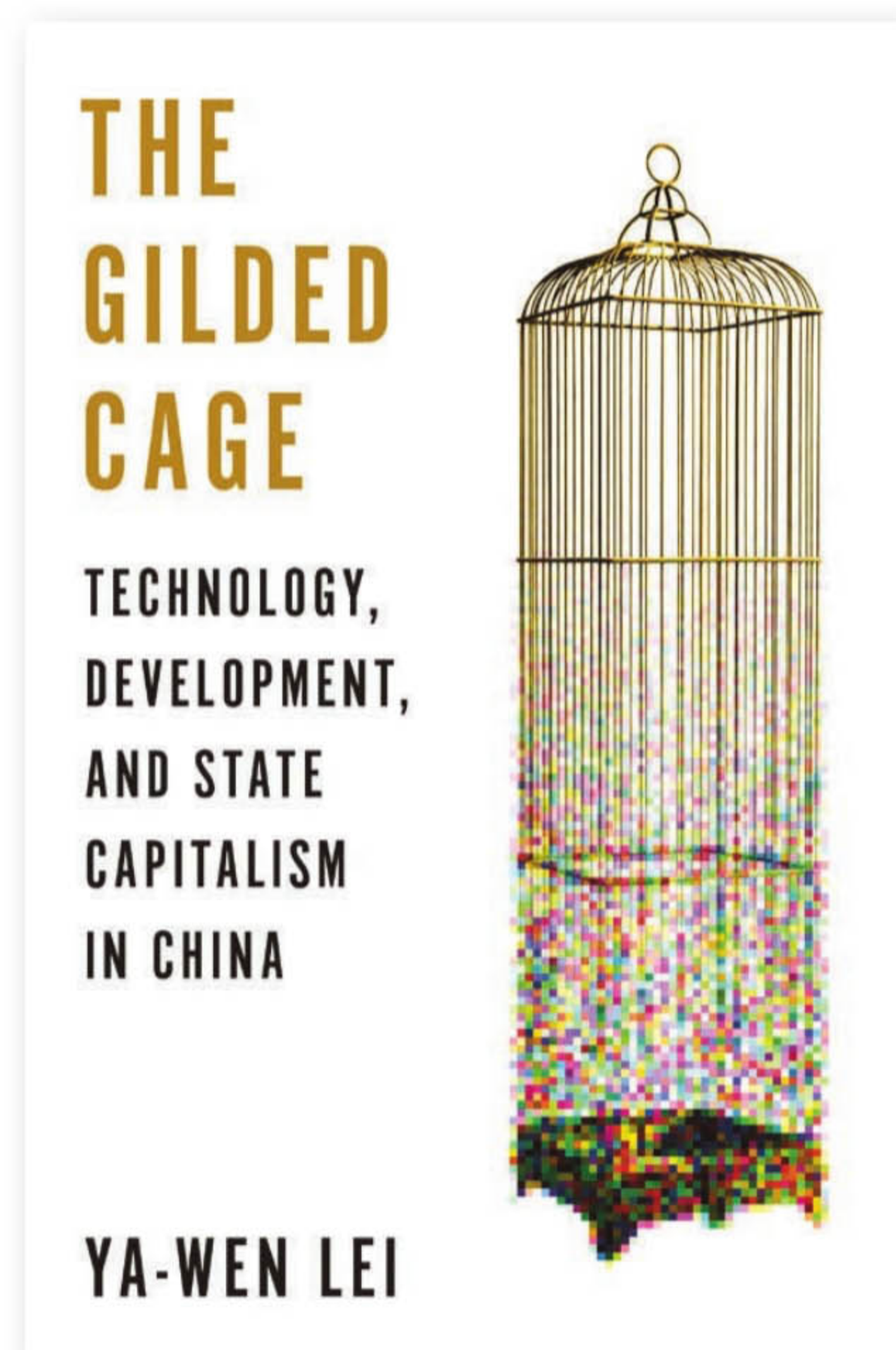
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How Chile became home to the world's most radical free-market experiment—and what its downfall suggests about the fate of neoliberalism around the globe



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How China's economic development combines a veneer of unprecedented progress with the increasingly despotic rule of surveillance over all aspects of life





the legacy of the one-child policy, is proving impossible to reverse despite government inducements of all kinds. And since the government wants to maintain a monolithic culture, the country is not going to take in immigrants to compensate. The United States' vulnerabilities, by contrast, often have ready solutions. The country has a high debt load and rising deficits. But its total tax burden is low compared with those of other rich countries. The U.S. government could raise enough revenues to stabilize its finances and maintain relatively low tax rates. One easy step would be to adopt a value-added tax. A version of the VAT exists in every other major economy across the globe, often with rates around 20 percent. The Congressional Budget Office has estimated that a five percent VAT would raise \$3 trillion over a decade, and a higher rate would obviously raise even more. This is not a picture of irremediable structural dysfunction that will lead inexorably to collapse.

#### BETWEEN WORLDS

Despite its strength, the United States does not preside over a unipolar world. The 1990s was a world without geopolitical competitors. The Soviet Union was collapsing (and soon its successor, Russia, would be reeling), and China was still an infant on the international stage, generating less than two percent of global GDP. Consider what Washington was able to do in that era. To liberate Kuwait, it fought a war against Iraq with widespread international backing, including diplomatic approval from Moscow. It ended the Yugoslav wars. It got the Palestine Liberation Organization to renounce terrorism and recognize Israel, and it convinced Israeli Prime Minister Yitzhak Rabin to make peace and shake hands on the White House lawn with the PLO's leader, Yasser Arafat. In 1994, even North Korea seemed willing to sign on to an American framework and end its nuclear weapons program (a momentary lapse into amicable cooperation from which it quickly recovered). When financial crises hit Mexico in 1994 and East Asian countries in 1997, the United States saved the day by organizing massive bailouts. All roads led to Washington.

Today, the United States faces a world with real competitors and many more countries vigorously asserting their interests, often in defiance of Washington. To understand the new dynamic, consider not Russia or China but Turkey. Thirty years ago, Turkey was an obedient U.S. ally, dependent on Washington for its security and prosperity. Whenever Turkey went through one of its periodic economic crises,



the United States helped bail it out. Today, Turkey is a much richer and more politically mature country, led by a strong, popular, and populist leader, Recep Tayyip Erdogan. It routinely defies the United States, even when requests are made at the highest levels.

Washington was unprepared for this shift. In 2003, the United States planned a two-front invasion of Iraq—from Kuwait in the south and from Turkey in the north—but failed to secure Turkey's support preemptively, assuming it would be able to get that country's assent as it always had. In fact, when the Pentagon asked, the Turkish parliament declined, and the invasion had to proceed in a hasty and ill-planned manner that might have had something to do with how things later unraveled. In 2017, Turkey inked a deal to buy a missile system from Russia—a brazen move for a NATO member. Two years later, Turkey again thumbed its nose at the United States by attacking Kurdish forces in Syria, American allies who had just helped defeat the Islamic State there.

Scholars are debating whether the world is currently unipolar, bipolar, or multipolar, and there are metrics one can use to make each case. The United States remains the single strongest country when adding up all hard-power metrics. For example, it has 11 aircraft carriers in operation, compared with China's two. Watching countries such as India, Saudi Arabia, and Turkey flex their muscles, one can easily imagine that the world is multipolar. Yet China is clearly the second-biggest power, and the gap between the top two and the rest of the world is significant: China's economy and its military spending exceed those of the next three countries combined. The gap between the top two and all others was the principle that led the scholar Hans Morgenthau to popularize the term "bipolarity" after World War II. With the collapse of British economic and military power, he argued, the United States and the Soviet Union were leagues ahead of every other country. Extending that logic to today, one might conclude that the world is again bipolar.

But China's power also has limits, derived from factors that go beyond demographics. It has just one treaty ally, North Korea, and a handful of informal allies, such as Russia and Pakistan. The United States has dozens of allies. In the Middle East, China is not particularly active despite one recent success in presiding over the restoration of relations between Iran and Saudi Arabia. In Asia, it is economically ubiquitous but also draws constant pushback from countries such as Australia, India, Japan, and South Korea. And in recent years, Western



countries have become wary of China's growing strength in technology and economics and have moved to limit its access.

China's example helps clarify that there is a difference between power and influence. Power is made up of hard resources—economic, technological, and military. Influence is less tangible. It is the ability to make another country do something that it otherwise would not have done. To put it crudely, it means bending another country's policies in the direction you prefer. That is ultimately the point of power: to be able to translate it into influence. And by that yardstick, both the United States and China face a world of constraints.

Other countries have risen in terms of resources, fueling their confidence, pride, and nationalism. In turn, they are likely to assert themselves more forcefully on the world stage. That is true of the smaller countries surrounding China but also of the many countries that have long been subservient to the United States. And there is a new class of medium powers, such as Brazil, India, and Indonesia, that are searching for their own distinctive strategies. Under Prime Minister Narendra Modi, India has pursued a policy of "multi-alignment," choosing when and where to make common cause with Russia or the United States. In the BRICS grouping, it has even aligned itself with China, a country with which it has engaged in deadly border skirmishes as recently as 2020.

In a 1999 article in these pages, "The Lonely Superpower," the political scientist Samuel Huntington tried to look beyond unipolarity and describe the emerging world order. The term he came up with was "uni-multipolar," an extremely awkward turn of phrase yet one that captured something real. In 2008, when I was trying to describe the emerging reality, I called it a "post-American world" because it struck me that the most salient characteristic was that everyone was trying to navigate the world as U.S. unipolarity began to wane. It still seems to be the best way to describe the international system.

#### THE NEW DISORDER

Consider the two great international crises of the moment, the invasion of Ukraine and the Israel-Hamas war. In Russian President Vladimir Putin's mind, his country was humiliated during the age of unipolarity. Since then, mainly as a result of rising energy prices, Russia has been able to return to the world stage as a great power. Putin has rebuilt the power of the Russian state, which can extract revenues from its many



natural resources. And now he wants to undo the concessions Moscow made during the unipolar era, when it was weak. It has been seeking to reclaim those parts of the Russian Empire that are central to Putin's vision of a great Russia—Ukraine above all else, but also Georgia, which it invaded in 2008. Moldova, where Russia already has a foothold in the breakaway Transnistria republic, could be next.

Putin's aggression in Ukraine was premised on the notion that the United States was losing interest in its European allies and that they were weak, divided, and dependent on Russian energy. He gobbled up Crimea and the borderlands of eastern Ukraine in 2014, and then, just after the completion of the Nord Stream 2 pipeline bringing Russian gas to Germany, decided to frontally attack Ukraine. He hoped to conquer the country, thus reversing the greatest setback Russia had endured in the unipolar age. Putin miscalculated, but it was not a crazy move. After all, his previous incursions had been met with little resistance.

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There is a difference  
between power  
and influence.

In the Middle East, the geopolitical climate has been shaped by Washington's steady desire to withdraw from the region militarily over the last 15 years. That policy began under President George W. Bush, who was chastened by the fiasco of the war he had started in Iraq. It continued under President Barack Obama, who articulated the need to reduce the United States' profile in the region so that Washington could take on the more pressing issue of China's rise. This strategy was advertised as a pivot to Asia but also a pivot away from the Middle East, where the administration felt the United States was overinvested militarily. That shift was underscored by Washington's sudden and complete withdrawal from Afghanistan in the summer of 2021.

The result has not been the happy formation of a new balance of power but rather a vacuum that regional players have aggressively sought to fill. Iran has expanded its influence, thanks to the Iraq war, which upset the balance of power between the region's Sunnis and Shiites. With Saddam Hussein's Sunni-dominated regime toppled, Iraq was governed by its Shiite majority, many of whose leaders had close ties to Iran. This expansion of Iranian influence continued into Syria, where Tehran backed the government of Bashar al-Assad, allowing it to survive a brutal insurgency. Iran supported the Houthis in Yemen, Hezbollah in Lebanon, and Hamas in Israel's occupied territories.

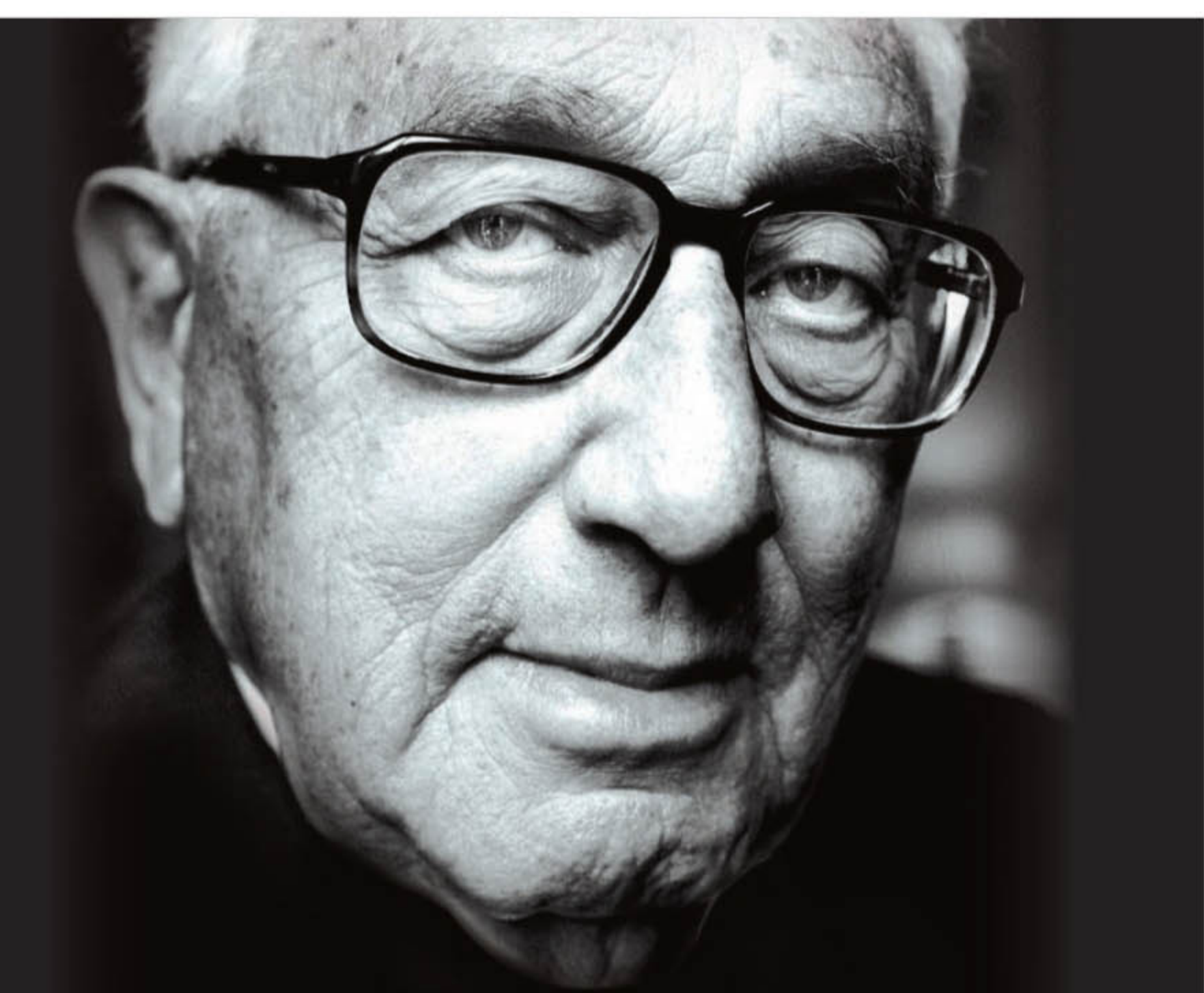


Rattled by all this, the Arab states of the Persian Gulf and some other moderate Sunni states began a process of tacit cooperation with Iran's other great enemy, Israel. That burgeoning alliance, with the 2020 Abraham Accords as an important milestone, seemed destined to culminate in the normalization of relations between Israel and Saudi Arabia. The obstacle to such an alliance had always been the Palestinian issue, but the retreat of Washington and the advances of Tehran made the Arabs willing to ignore that once central issue. Watching closely, Hamas, an ally of Iran, chose to burn down the house, returning the group and its cause to the spotlight.

The most portentous challenge to the current international order comes in Asia, with the rise of Chinese power. This could produce another crisis—far bigger than the other two—if China were to test the resolve of the United States and its allies by trying to forcibly reunify Taiwan with the mainland. So far, the Chinese leader Xi Jinping's hesitation about using military force serves as a reminder that his country, unlike Russia, Iran, and Hamas, gains much from being tightly integrated into the world and its economy. But whether this restraint will hold is an open question. And the increased odds of an invasion of Taiwan today compared with, say, 20 years ago are one more signal of the weakening of unipolarity and the rise of a post-American world.

Yet another indication of the United States' reduced leverage in this emerging order is that informal security guarantees might give way to more formal ones. For decades, Saudi Arabia has lived under an American security umbrella, but it was a sort of gentleman's agreement. Washington made no commitments or guarantees to Riyadh. Were the Saudi monarchy to be threatened, it had to hope that the U.S. president at the time would come to its rescue. In fact, in 1990, when Iraq menaced Saudi Arabia after invading Kuwait, President George H. W. Bush did come to the rescue with military force—but he was not required to do so by any treaty or agreement. Today, Saudi Arabia is feeling much stronger and is being courted actively by the other world power, China, which is its largest customer by far. Under its assertive crown prince, Mohammed bin Salman, the kingdom has become more demanding, asking Washington for a formal security guarantee like the one extended to NATO allies and the technology to build a nuclear industry. It remains unclear whether the United States will grant those requests—the question is tied in with a normalization of relations between Saudi Arabia and Israel—but the very fact that the Saudi demands are being taken seriously is a sign of a changing power dynamic.





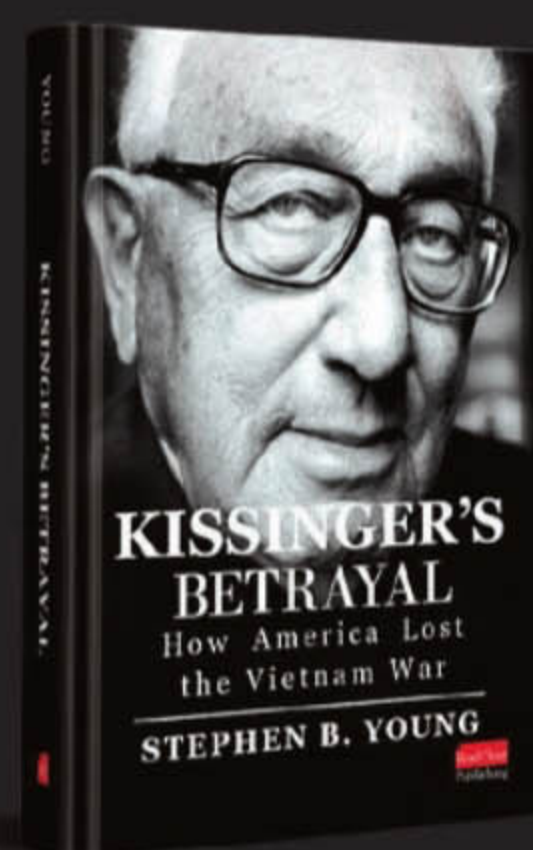
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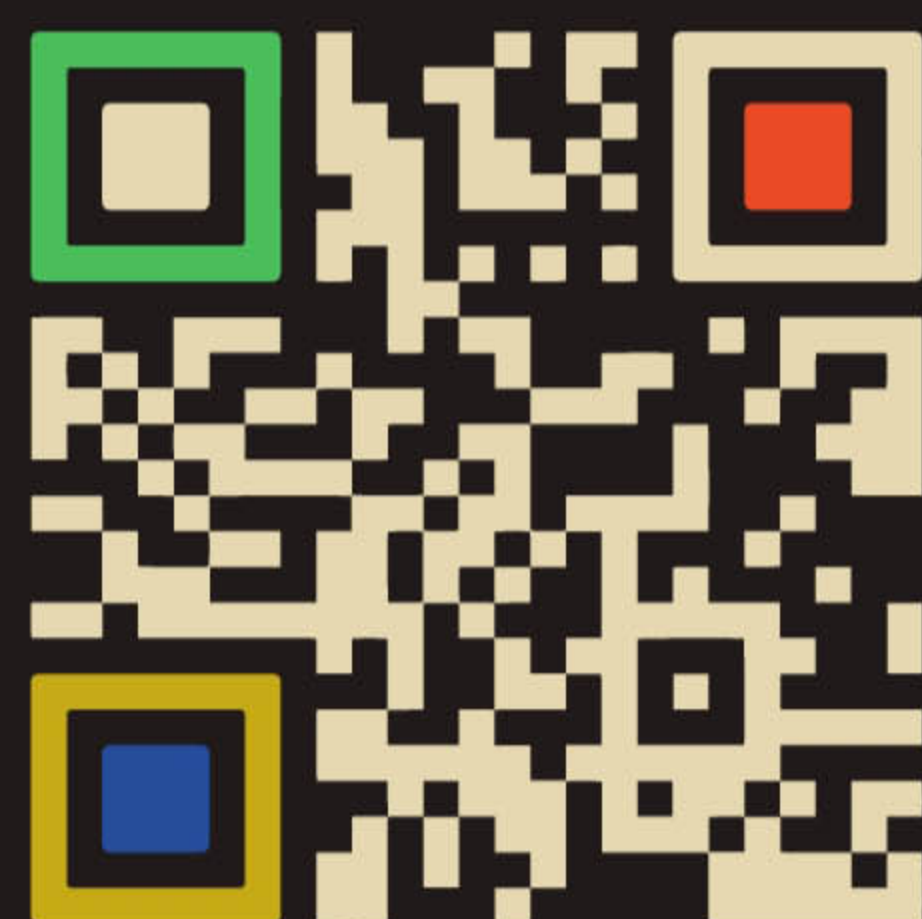
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## STAYING POWER

The international order that the United States built and sustained is being challenged on many fronts. But it remains the most powerful player in that order. Its share of global GDP remains roughly what it was in 1980 or 1990. Perhaps more significant, it has racked up even more allies. By the end of the 1950s, the “free world” coalition that fought and would win the Cold War was made up of the members of NATO—the United States, Canada, 11 Western European countries, Greece, and Turkey—plus Australia, New Zealand, Japan, and South Korea. Today, the coalition supporting Ukraine’s military or enforcing sanctions against Russia has expanded to include almost every country in Europe, as well as a smattering of other states. Overall, the “West Plus” encompasses about 60 percent of the world’s GDP and 65 percent of global military spending.

The challenge of combating Russian expansionism is real and formidable. Before the war, the Russian economy was about ten times the size of Ukraine’s. Its population is almost four times larger. Its military-industrial complex is vast. But its aggression cannot be allowed to succeed. One of the core features of the liberal international order put in place after World War II has been that borders changed by brute military force are not recognized by the international community. Since 1945, there have been very few successful acts of aggression of this sort, in marked contrast to before then, when borders around the world changed hands routinely because of war and conquest. Russia’s success in its naked conquest would shatter a hard-won precedent.

The China challenge is a different one. No matter its exact economic trajectory in the years ahead, China is a superpower. Its economy already accounts for close to 20 percent of global GDP. It is second only to the United States in military spending. Although it does not have nearly as much clout as the United States on the global stage, its ability to influence countries around the world has increased, thanks in no small measure to the vast array of loans, grants, and assistance it has offered. But China is not a spoiler state like Russia. It has grown rich and powerful within the international system and because of it; it is far more uneasy about overturning that system.

More broadly, China is searching for a way to expand its power. If it believes that it can find no way to do so other than to act as a spoiler, then it will. The United States should accommodate legitimate Chinese efforts to enhance its influence in keeping with its rising economic



clout while deterring illegitimate ones. Over the past few years, Beijing has seen how its overly aggressive foreign policy has backfired. It has now pulled back on its assertive “Wolf Warrior diplomacy,” and some of the arrogance of Xi’s earlier pronouncements about a “new era” of Chinese dominance has given way to a recognition of America’s strengths and China’s problems. At least for tactical reasons, Xi seems to be searching for a *modus vivendi* with America. In September 2023, he told a visiting group of U.S. senators, “We have 1,000 reasons to improve China-U.S. relations, but not one reason to ruin them.”

Regardless of China’s intentions, the United States has significant structural advantages. It enjoys a unique geographic and geopolitical leg up. It is surrounded by two vast oceans and two friendly neighbors. China, on the other hand, is rising in a crowded and hostile continent. Every time it flexes its muscles, it alienates one of its powerful neighbors, from India to Japan to Vietnam. Several countries in the region—Australia, Japan, the Philippines, South Korea—are actual treaty allies with the United States and host U.S. troops. These dynamics hem China in.

Washington’s alliances in Asia and elsewhere act as a bulwark against its adversaries. For that reality to hold, the United States must make shoring up its alliances the centerpiece of its foreign policy. Indeed, that has been at the heart of Biden’s approach to foreign policy. He has repaired the ties that frayed under the Trump administration and strengthened those that didn’t. He has put in place checks on Chinese power and bolstered alliances in Asia yet reached out to build a working relationship with Beijing. He reacted to the Ukraine crisis with a speed and skill that must have surprised Putin, who now faces a West that has weaned itself from Russian energy and instituted the most punishing sanctions against a great power in history. None of these steps obviate the need for Ukraine to win on the battlefield, but they create a context in which the West Plus has substantial leverage and Russia faces a bleak long-term future.

#### THE DANGER OF DECLINISM

The greatest flaw in Trump’s and Biden’s approaches to foreign policy—and here the two do converge—derives from their similarly pessimistic outlooks. Both assume that the United States has been the great victim of the international economic system that it created. Both assume that the country cannot compete in a world of open markets and free



trade. It is reasonable to put in place some restrictions on China's access to the United States' highest-tech exports, but Washington has gone much further, levying tariffs on its closest allies on commodities and goods from lumber to steel to washing machines. It has imposed requirements that U.S. government funds be used to "buy American." Those provisions are even more restrictive than tariffs. Tariffs raise the cost of imported goods; "buy American" prevents foreign goods from being bought at any price. Even smart policies such as the push toward green energy are undermined by pervasive protectionism that alienates the United States' friends and allies.

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a spoiler state  
like Russia.

Ngozi Okonjo-Iweala, the director-general of the World Trade Organization, has argued that rich countries are now engaging in acts of supreme hypocrisy. Having spent decades urging the developing world to liberalize and participate in the open world economy and castigating countries for protectionism, subsidies, and industrial policies, the Western world has stopped practicing what it has long preached. Having grown to wealth and power under such a system, rich countries have decided to pull up the ladder. In her words, they "now no longer want to compete on a level playing field and would prefer instead to shift to a power-based rather than a rules-based system."

U.S. officials spend much time and energy talking about the need to sustain the rules-based international system. At its heart is the open trading framework put in place by the Bretton Woods Agreement of 1944 and the General Agreement on Tariffs and Trade of 1947. The statesmen who came out of World War II saw where competitive nationalism and protectionism had led and were determined to prevent the world from going back down that path. And they succeeded, creating a world of peace and prosperity that expanded to the four corners of the earth. The system of free trade they designed allowed poor countries to grow rich and powerful, making it less attractive for everyone to wage war and try to conquer territory.

There is more to the rules-based order than trade. It also involves international treaties, procedures, and norms—a vision of a world that is not characterized by the laws of the jungle but rather by a degree of order and justice. Here as well, the United States has been better at preaching than practicing. The Iraq war was a gross violation of the United Nations' principles against unprovoked aggression. Washington



routinely picks and chooses which international conventions it observes and which it ignores. It criticizes China for violating the UN Convention on the Law of the Sea when Beijing claims sovereignty over waters in East Asia—never mind that Washington itself has never ratified that treaty. When Trump pulled out of a nuclear deal with Iran signed by all the other great powers, despite confirmation that Tehran was adhering to its terms, he wrecked the hope of global cooperation on a key security challenge. He then maintained secondary sanctions to force those other great powers not to trade with Iran, abusing the power of the dollar in a move that accelerated efforts in Beijing, Moscow, and even European capitals to find alternatives to the dollar payment system. American unilateralism was tolerated in a unipolar world. Today, it is creating the search—even among the United States’ closest allies—for ways to escape, counter, and challenge it.

Much of the appeal of the United States has been that the country was never an imperial power on the scale of the United Kingdom or France. It was itself a colony. It sits far from the main arenas of global power politics, and it entered the twentieth century’s two world wars late and reluctantly. It has rarely sought territory when it has ventured abroad. But perhaps above all, after 1945, it articulated a vision of the world that considered the interests of others. The world order it proposed, created, and underwrote was good for the United States but also good for the rest of the world. It sought to help other nations rise to greater wealth, confidence, and dignity. That remains the United States’ greatest strength. People around the world may want the loans and aid they can get from China, but they have a sense that China’s worldview is essentially to make China great. Beijing often talks about “win-win cooperation.” Washington has a track record of actually doing it.

#### KEEP THE FAITH

If the United States reneges on this broad, open, generous vision of the world out of fear and pessimism, it will have lost a great deal of its natural advantages. For too long, it has rationalized individual actions that are contrary to its avowed principles as the exceptions it must make to shore up its own situation and thereby bolster the order as a whole. It breaks a norm to get a quick result. But you cannot destroy the rules-based system in order to save it. The rest of the world watches and learns. Already, countries are in a competitive race, enacting subsidies, preferences, and barriers to protect their own economies. Already,



countries violate international rules and point to Washington's hypocrisy as justification. This pattern unfortunately includes the previous president's lack of respect for democratic norms. Poland's ruling party spun Trump-like conspiracy theories after it lost a recent election, and Brazilian President Jair Bolsonaro's claims of election fraud drove his supporters to mount a January 6–style attack on his country's capital.

The most worrying challenge to the rules-based international order does not come from China, Russia, or Iran. It comes from the United States. If America, consumed by exaggerated fears of its own decline, retreats from its leading role in world affairs, it will open up power vacuums across the globe and encourage a variety of powers and players to try to step into the disarray. We have seen what a post-American Middle East looks like. Imagine something similar in Europe and Asia, but this time with great powers, not regional ones, doing the disrupting, and with seismic global consequences. It is disturbing to watch as parts of the Republican Party return to the isolationism that characterized the party in the 1930s, when it resolutely opposed U.S. intervention even as Europe and Asia burned.

Since 1945, America has debated the nature of its engagement with the world, but not whether it should be engaged to begin with. Were the country to truly turn inward, it would mark a retreat for the forces of order and progress. Washington can still set the agenda, build alliances, help solve global problems, and deter aggression while using limited resources—well below the levels that it spent during the Cold War. It would have to pay a far higher price if order collapsed, rogue powers rose, and the open world economy fractured or closed.

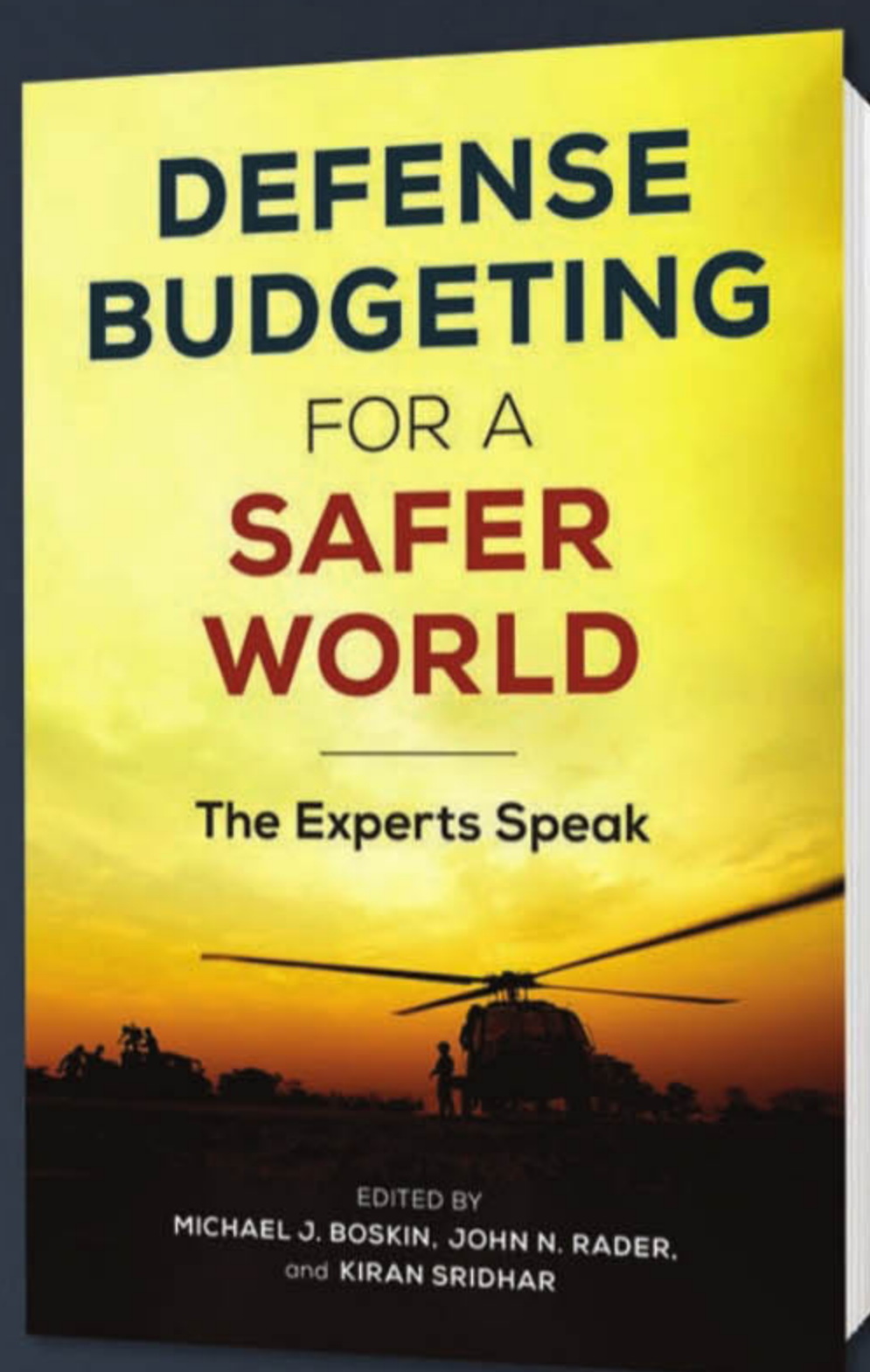
The United States has been central to establishing a new kind of international relations since 1945, one that has grown in strength and depth over the decades. That system serves the interests of most countries in the world, as well as those of the United States. It faces new stresses and challenges, but many powerful countries also benefit from peace, prosperity, and a world of rules and norms. Those challenging the current system have no alternative vision that would rally the world; they merely seek a narrow advantage for themselves. And for all its internal difficulties, the United States above all others remains uniquely capable and positioned to play the central role in sustaining this international system. As long as America does not lose faith in its own project, the current international order can thrive for decades to come. 🌐



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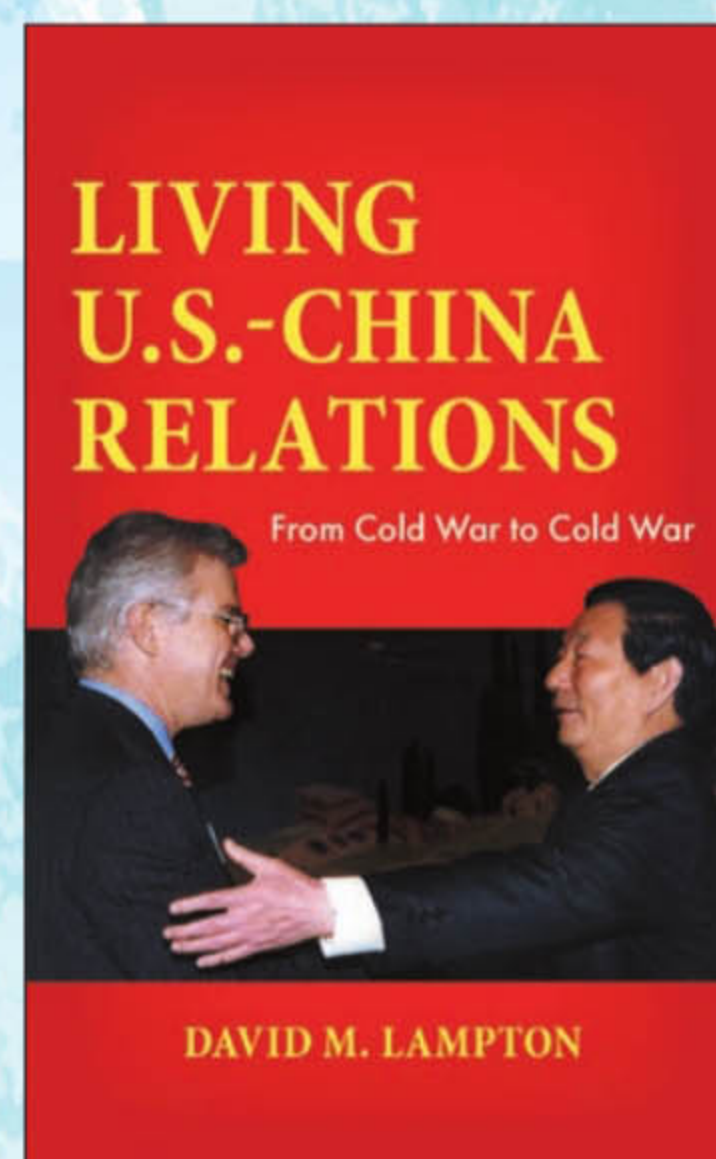
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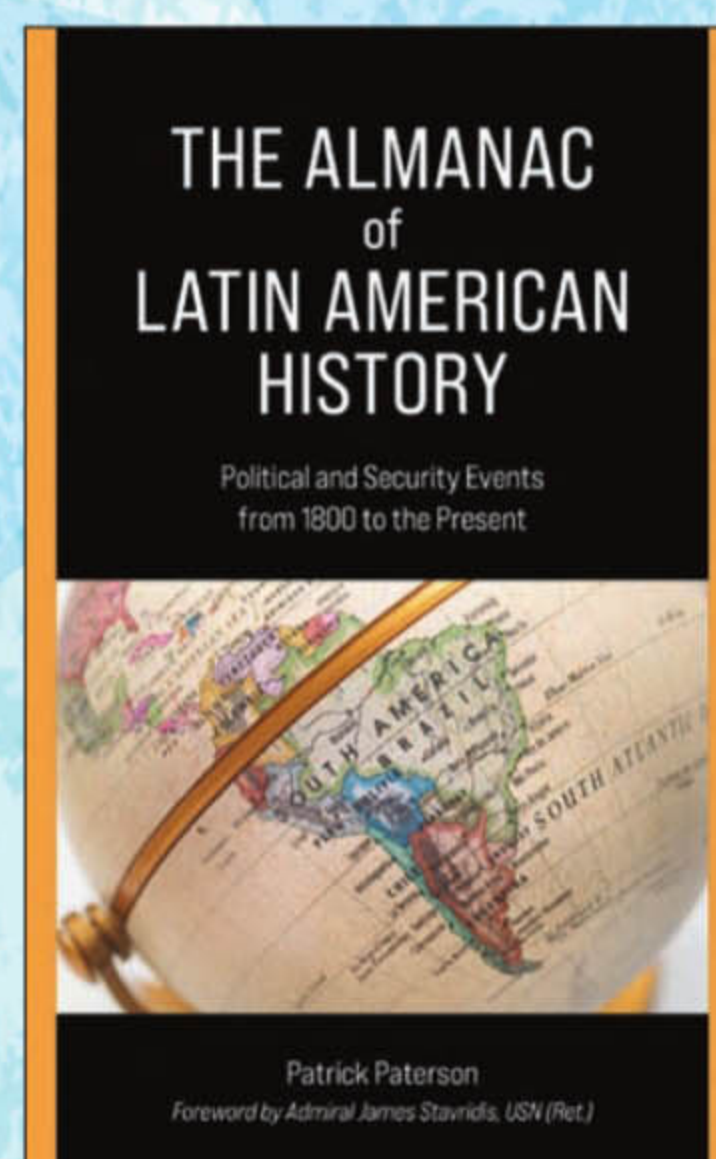
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# The Atrophy of American Statecraft

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## How to Restore Capacity for an Age of Crisis

PHILIP ZELIKOW

**T**he world has entered a period of high crisis. Wars rage in Europe and the Middle East, and the threat of war looms in East Asia. In Russia, China, and North Korea, the United States faces three hostile states with nuclear weapons and, in Iran, another on the verge of acquiring them. Beyond the headlines, states are failing in southwest Asia, Africa, and Latin America, and enormous migrations are in motion. Having just weathered a pandemic that was the costliest crisis since 1945, the United States must now contend with other urgent transnational challenges, such as managing energy transition amid a deteriorating climate, the rapid development of artificial intelligence, and a global capitalist system under more pressure than it has been for decades. Unpacked, each one of these

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issues has its own set of complex problems that few understand. And on almost every issue, whether they like the Americans or resent them, people in the world look to the U.S. government for help, if only in organizing the work.

The Americans cannot meet this demand. Their supply of effective policies is limited. The United States does not have the breadth and depth of competence—capabilities and know-how—in its contemporary government. The problem has existed for decades, as has been depressingly evident from time to time. What is new is the context. The current period of crisis challenges the United States and the other countries of the free world more than anything has in at least 60 years. They will have to cultivate new qualities of practical leadership.

Saying what to do is the easy part. Designing how to do it is the hard part. “Ideas are not policies,” Dean Rusk observed while serving as U.S. secretary of state. “Besides, ideas have a high infant-mortality rate.” An even more experienced statesman, British Prime Minister Winston Churchill, commented that “hope flies on wings, and international conferences plod afterwards along dusty roads.”

The “how” is the “craft” in statecraft. Most of what the U.S. government does is distribute money and set rules. Relatively few parts of it mount policy operations, especially diplomatic ones. Doing so requires complex teamwork. Officials must master international choreographies, intricacies of law and practice, and a bewildering variety of instruments, cultures, and institutions spanning societies. The ability to do all that is a fading art in the United States and the rest of the free world. As it fades, handwringing and platitudes take its place. Officials paper over the gaps with meetings and pronouncements.

The limited supply of effective U.S. policymaking was demonstrated tragically during the COVID-19 outbreak, when the world failed to create a global alliance to fight a global pandemic. It can be seen today in Ukraine, where the free world is struggling to sustain a country fighting a war of attrition. And it is surfacing in the Gaza Strip, where well-meaning countries try to help with Gaza’s future sustenance and governance. There will doubtless be new demands in the coming months and years, and one can debate which of them Washington and its allies must answer. But no one wants to take on a problem and then fail. Success has to be defined concretely and practically. Governments have to more effectively pool their capabilities and know-how. Only then can they convert blue-sky hopes into blueprints.



THE AGE OF EMERGENCIES

All three of the major anti-American partnerships of the last hundred years—the Axis powers in World War II, the communist countries during the Cold War, and the anti-American league today led by China, Russia, and Iran—had a common core. All regarded the United States (or the United Kingdom in its day) as the anchor of a domineering imperial system that tried to block their own aspirations. They rallied other countries that also felt oppressed. But beyond that, the partnerships exhibited no common master plan. The partners rarely trusted one another. They often did not even like one another.

This generation's period of high crisis may well subside, or it could get much worse. The history of past anti-American partnerships humbles complacent assumptions. It reveals rapid recalculations, quick turns, surprises. Dictatorships have always been riven by factions; their intentions and plans change suddenly, often affected by seemingly invisible details and circumstances. What is different this time, compared with those past eras of confrontation, is that the American public has not absorbed the gravity of the dangers, and the country's industrial base is much narrower and less agile. The United States relies too much on ill-focused military insurance policies and has not adequately prepared plausible operational strategies short of direct warfare.

In January 1941, while the United States was still at peace, President Franklin Roosevelt wrote to Joseph Grew, his old friend and prep school classmate and the U.S. ambassador to Japan. "We must recognize that the hostilities in Europe, in Africa, and in Asia are all parts of a single world conflict," Roosevelt wrote. Each part had its own story. The president stressed that "the problems which we face are so vast and so interrelated that any attempt even to state them compels one to think in terms of five continents and seven seas." He went on: "We cannot lay down hard-and-fast plans. As each new development occurs we must, in the light of the circumstances then existing, decide when and where and how we can most effectively marshal and make use of our resources."

So Roosevelt began marshaling resources on an epic scale. Congress had already resumed the conscription of soldiers, sailors, and airmen. In early 1941, the president and his team persuaded a bitterly divided Congress, in a bitterly divided country that was not yet at war, to spend ten percent of GDP to help foreigners. The money went to American supplies for those who were in the fight: the United Kingdom, the



Soviet Union, and China. The equivalent level of effort today would be about \$2.6 trillion dollars—about 25 times the amount President Joe Biden requested in October 2023 from today's divided Congress for Ukraine, Israel, and other priorities.

The United States and its allies must now prepare for how they might be pulled into four different wars—with China, with Iran, with North Korea, and with Russia—and how these dangers could interact. The default assumption of most Western policymakers is that these rivals are led by fundamentally rational regimes that will not court the risks of seeking violent change. That was the default assumption a year before Russia invaded Ukraine. It was the default assumption the day before Hamas invaded Israel. The current era may well turn out to be a prewar period.

But Americans, Europeans, Japanese, South Koreans, and Australians are not coordinating as if this were so. Meanwhile, the governments and media of China, Iran, and North Korea have been mobilizing for war. Russia is already at war and preparing for a long one.

The existing level of conflict in the world is already the highest in more than a generation. Look just at the region surrounding the Gaza Strip. Even before Hamas's October 7 attack, Libya, Sudan, Syria, and Yemen had already been shattered by conflict, resulting in millions of starving and displaced people. All the international mediation and reconstruction efforts to address these crises have been going poorly. All demonstrate the failure of the United Nations' mediating and peace-keeping attempts. In each case, aid organizations struggle to meet needs and sustain support from weary donors. This tally does not include the ongoing international involvements in Iraq, Lebanon, and Somalia or in war-torn Ethiopia.

Then there are the demands in other regions and on transnational concerns, such as the deteriorating climate, the digital and biological revolutions, and the fragility of global finance. Some of these issues have been festering for decades. Much of the news about cooperation among the free world is, again, disappointing: problems in orchestrating a global energy transition, with fragmented work on green technologies, frustrated talks on critical materials, and furious disagreements about how to ease the burdens on poor countries.

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Paper palliatives  
will not address  
the world's present  
emergencies.



LOST LESSONS

In an emergency, people need effective action. No country faces more demands for providing that than the United States. The country may seem awfully powerful, in static enumerations of economic or military mass, but applied power—actual power out in the world—is something quite different. It is more like the measurement of kinetic energy, which is calculated with the formula  $1/2 mv^2$ . The value of mass is halved. The value of velocity is squared. In statecraft, competence is velocity.

Competence is a function of capabilities and know-how. When it comes to doing things in the world, Americans' supply of both is constrained by two deep structural conditions. The first has been with the country, in varying degrees, since its founding: a sense of detachment. America is usually detached from foreign problems, often by a great distance, and Americans feel detached, too. Fortunate in its geology and continental breadth, the United States has never depended all that much on foreign commerce or foreign commodities. Public interest in foreign engagement—political, military, or economic—is limited. More than half of all Americans do not own a passport. Only one-third of them can find Taiwan on a map.

The second factor limiting the United States' global engagement is newer: its now limited repertoire of what it can do abroad. The repertoire dramatically expanded, as so much did, during World War II and the Cold War. By the middle of the twentieth century, U.S. officials were famous across the world for their know-how, esteemed as enterprising, imaginative problem solvers who could do almost anything in war or peace. The United States had helped organize D-Day, built the first atomic bomb, fed millions of people amid the ruins of Europe and Asia, rescued Western Europe with the Marshall Plan, and overcome a Soviet blockade with the Berlin airlift. Washington even helped eradicate smallpox.

These and other awe-inspiring deeds drew on the exceptional and decentralized problem-solving culture of American business and civic planning that emerged in the twentieth century. The paradigmatic discipline of American business at the time was engineering. This can-do culture improved the way policy was designed and managed and encouraged strong habits of written staff work. It had emerged from vast and stressful trial and error, with plenty of rivalry and confusion.

Generations passed, the century ended, and little was done to preserve or teach the older skills and routines. Written operational analyses



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were subsumed by more meetings, with fewer efforts to record and reflect on what had been said. Unlike the methods taught for engineering, the techniques of policy staff work are rarely recognized or studied. There is no canon with norms of professional practice. American policymaking became procedural, less about deliberate engineering and more about improvised guesswork and bureaucratized habits.

Meanwhile, as the mountains of superpower confrontation crumbled with the end of the Cold War, the remaining foothills began to seem like mountains. NATO and Croatia's victory over little Serbia in 1995 fed years of hubris. That sensibility, mixed with the great fear after 9/11, ushered in the United States' years of nemesis. Chastened, the American public's already slender interest in foreign engagement thinned. The protectionist current became a flood. In the scholarly world, the fashion was to critique the United States' hunger for empire, its endemic racism, its endless militarism, and its voracious capitalism. The implied corollary was that if the U.S. government was such a malign force in the world, then everyone would be better off if it stayed home.

Even as the U.S. intelligence community grew and grew, the U.S. government's capacity to analyze and solve problems did not. Its policy side became weakly staffed and poorly trained; officials had barely been taught about policy work at all. Those who excelled had usually taught themselves. When operations were needed, contractors had to be hired, and they often just compounded the problems. Although the military's components were still potent, its force structure—the hugely expensive carriers, squadrons of aircraft, and brigades of troops stationed back home—became more symbolic and less relevant. Economic sanctions became the tool of first resort. Communiques and platitudes covered the rest.

#### AGAINST VAGUENESS

But paper palliatives will not address the world's present emergencies. Generic doctrines of "restraint" or "realism" signal attitudes, not answers. George Marshall knew this well. In April 1947, Marshall, recently appointed secretary of state and fresh from a lengthy trip to Europe, gave a national radio address to tell the American people about the scale of the needed repairs on the continent. He implored them to be patient. "Problems which bear directly on the future of our civilization cannot be disposed of by general talk or vague formulae—by



what Lincoln called ‘pernicious abstractions,’” Marshall warned. “They require concrete solutions for definite and extremely complicated questions.” Working with an extraordinary group of European leaders, Marshall and his team found those solutions, designing an extraordinary system that used American goods to cement new European partnerships and help European governments raise money to rebuild.

Amid the spectacular recent failures in Iraq and then in Afghanistan, it is worth noticing some recent success stories, too. Consider the military realm. Between 2015 and 2019, after a year of floundering, having learned from prior missteps, and with relatively few troops, the United States helped lead a remarkable foreign coalition that liberated lands overrun by the Islamic State, or ISIS, in northern Iraq and eastern Syria.

In global health, the United States and its partners, beginning in 2003, created an emergency plan for AIDS relief, known as PEPFAR, and the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Designed with the lessons of past failures in mind, these programs elicited broad support in Congress and across the world. They have saved millions of lives. Or look at diplomacy. Beginning in 2005, the United States orchestrated a complex global effort to accept India’s nuclear status and unwind a generation’s accumulation of restrictions. This diplomacy transformed relations and opened up trade in advanced technology with what is now the world’s most populous country.

The United States has also authored economic success stories. Many rightly blame its failure to police highly leveraged asset speculation for the global financial crisis. But they should also recognize that as the crisis spread to Europe, American and European leaders did whatever it took to arrest it, backing financial guarantees to stave off sovereign defaults and keep the eurozone from plunging into the abyss. That continental collapse would have rippled back to the United States, and so this success may have prevented a replay of the sequence that produced the Great Depression. More recently, before the Russian invasion of Ukraine, few would have predicted that Europe, and especially Germany, could ever wean itself from Russian energy. Yet after the invasion, a handful of European—especially German—leaders worked with Americans and rose to the challenge.

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The success of  
Operation Warp  
Speed is more  
celebrated than  
understood.



What these and other successes demonstrate is a possibility theorem. Governments can still produce extraordinary results. But doing so will require a greater focus on the “how.” Consider three contemporary emergencies as illustrations: the failures in the war against COVID-19, the perilous situation now in Ukraine, and the challenge in Gaza.

#### PANDEMIC POLICYMAKING

Judged by its human and economic toll, the COVID-19 pandemic was a global war. More than 20 million people died. The United States spent, in discretionary fiscal policy, about \$5 trillion. But in January 2020, few understood the pandemic that was unfolding. The so-called pandemic playbook prepared by the Obama administration did not actually diagram any plays. There was no “how.” It did not explain what to do. When it came to the job of containing COVID-19, the playbook was a blank page.

What the ensuing months and years would expose was, as in Afghanistan and Iraq, the erosion of operational capabilities in much of the U.S. government and the flailing reliance on management consultancies to plug these gaps. Early on, it became clear that the public sector did not have the resources it needed—drugs, masks, vaccines—from the private sector. The choices about what to do were relatively easy: almost everyone wanted tests, effective therapeutics, and vaccines. The problems arose in the “how.”

The supposed U.S. success story in the pandemic was the Defense Department’s management of Operation Warp Speed, a public-private partnership to develop and deploy vaccines. But that success is more celebrated than understood. Thanks to prewar choices by some gifted officials, coronavirus R & D was already advanced when the pandemic broke out. The U.S. government and others had already sponsored early work on messenger RNA technology. An initiative improvised by career bureaucrats, outside experts, and administration gadflies, Operation Warp Speed did not score its main success in vaccine development. Rather, it succeeded by acquiring and manufacturing the vaccines at scale. It managed a portfolio of investments in different designs to hedge its bets on unproven mRNA technology, and it planned national distribution through the United States’ drugstores.

Yet the mass production of vaccines was not knitted into strategies to coordinate global production and distribution or to persuade people to get the jabs. Global pandemics, like global wars, must be





fought by global alliances. Only a handful of countries produced vaccines, but they never built an allied war effort against the virus. The disappointing performance of the World Health Organization, which neither warned of the outbreak nor coordinated a common response, did not cause that failure. Constrained by its members, the WHO reflected their failure.

Reacting to prior decades of weak government work on vaccines, philanthropies had tried to fill the void by creating unusual non-profit institutions such as Gavi, the Vaccine Alliance, and CEPI, the Coalition for Epidemic Preparedness Innovation. Some of the policymakers who spearheaded Operation Warp Speed wanted to use those nonprofits and organize a proper global effort. As the proposal for Operation Warp Speed made its way to President Donald Trump in April 2020, U.S. officials put aside building a global coalition and chose a national approach. In reaction, the nonprofits and their supporters had to quickly improvise a global structure. Aided by France and Singapore, they partnered with the WHO to create the COVID-19 Vaccines Global Access initiative, or COVAX, to distribute vaccines across the world, based on need.

By May 2020, there were thus two parallel structures: Operation Warp Speed and COVAX. COVAX immediately fell behind, spending months raising money. Watching what the United States had chosen,



European countries decided they had to mimic that approach. The United Kingdom moved out on its own with a well-designed program. The EU tried to reconcile the desires of its 27 members' health authorities. But European countries were growing impatient with the sluggish pace of the European Commission, the EU's executive arm, in organizing a common vaccine effort. Shortly after the unveiling of Operation Warp Speed, four of them—France, Germany, Italy, and the Netherlands—announced that they would move ahead on their own. National, more self-interested, programs would thus be the pattern.

In some ways, the story turned out well. The mRNA vaccine candidates worked. Private industry ramped up and produced vaccine doses on an astonishing scale. By the end of 2021, the supply of vaccines saturated global demand. Although it was improvised into existence practically overnight, COVAX was the principal reason a substantial fraction of people in low-income countries were vaccinated at all, helped by UNICEF and other organizations. Yet pushed to the back of the procurement queue, COVAX effectively lost at least a year of possible progress, instead fighting against vaccine hoarding, export restrictions, and problems with manufacturers. These delays caused millions of avoidable hospitalizations and deaths.

Vaccine nationalism is no surprise. In a global coalition, major producers are not going to ignore the needs of their own people. But a coalition could have planned, from the start, to visibly take the whole world's needs into account. In the absence of such planning, countries hoarded their own supplies until they were sure they would have a surplus, at which point some offered that surplus to COVAX. The problem was that it takes time to set up vaccine education campaigns, distribution networks, and cold storage facilities and to find people to do the work.

In the short run, Trump's "America first" vaccine strategy seemed to pay off for Americans. Then it backfired. "Buy American" provisions—which accompanied the government's use of its authorities under the Defense Production Act to tell U.S. firms what to produce—ended up pushing most production for the global market outside the United States. The fragmented national approaches to selecting vaccine candidates and managing the supply chains to produce vaccines created unnecessary friction and duplication, wasted investments, and tangled negotiations with industry. The opportunity to more intelligently



coordinate the huge national investments, procurements, and supply chains was lost. The end result put the pharmaceutical firms in the driver's seat.

The war against COVID-19 relied on a few major powers to help the rest of the world. The United States, the major European countries, and the big Asian powers never joined forces effectively enough. They, along with the rest of the world, paid the price for that. There is no reason to believe that biological dangers will diminish, and they may get worse. Yet policymakers have absorbed few lessons about how to do better next time.

#### THE FIGHT FOR UKRAINE

By the end of 2022, it was clear the war in Ukraine would not end quickly. Rightly inspired by the Ukrainians' heroic resistance, many commentators and officials underestimated Russia. Much of the debate was about whether Ukraine should drive on to victory or accept a stalemate, or whether certain weapons systems would be the magic ingredients the country needed to win. Over the course of 2023, however, Ukraine's military, social, economic, and financial condition became increasingly grave and unsustainable. And although Russia has geared up for a long war, Ukraine's supporters have not.

As with the pandemic, the "what to do" part seems easy, since citizens in the free world generally support Ukraine's survival as a free country with a hopeful future. Surely, people think, the coalition's combined resources and economies can overmatch what Russia and its friends can do. Yet again, what stands out is the problem of "how." Again, the free world has not adequately pooled and mobilized its resources.

At the start of the war, the G-7 countries froze about \$300 billion worth of Russian state financial assets that were being held in their own currencies. Never in history has an aggressor left such an immense sum in the hands of countries wounded by its aggression. None of the G-7's members doubt that Russia has committed the gravest possible breaches of international law or that it is legally obligated to compensate those it has damaged. No one can deny that Ukraine's economy is in critical condition. The question of what to do seems clear. Yet as the war finishes its second year, this enormous, game-changing war chest of Russia's money remains virtually untouched. There is no plausible scenario in which it goes back to Russia. The potentially decisive assets lie there, inert and useless to anyone. Why?



For too long, the handful of relevant officials were preoccupied with other matters and were put off by a welter of confused and often superficial legal and financial arguments. Privately, some have confided fears about Russian retaliation against their countries' companies. Or in the German case, some fear that Polish nationalists might then ask for more reparations from Germany for World War II.

All these arguments are slowly being sorted out as lawyers rediscover the international law of state responsibility and state countermeasures.

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The strain to mobilize resources to help Ukraine is a tragedy.

Needed next is the design for a monumental European recovery program, anchored in the recovery of Ukraine. That program should have two dimensions. One would be policy-driven. The West would support reconstruction and recovery across several sectors, linking its spending to Ukrainian reforms that would also facilitate Ukraine's EU accession

process. The other dimension would be a substantial and painstaking claims process from Ukraine and other state and private entities damaged by Russia's internationally wrongful acts, including expropriated companies and poor countries victimized by price shocks. Work to set up this enormous recovery program has barely begun.

By contrast, the military assistance program for Ukraine would seem to be the great success story. It is, to some extent. But it is flagging. The public story is dominated by arguments about which weapons to send to Ukraine. The real story, however, is about the "how" of finding enough weapons to begin with. In theory, the quantity of weaponry sent to Ukraine should be both sufficient and affordable if all of Ukraine's partners efficiently pooled their potential resources and industrial capacities. That efficient pooling of resources is not happening. Aside from the usual challenges of transport, training, and maintenance that are multiplied with each new donated system, five big factors seem to cripple the effort, even if Congress appropriates needed money.

First, most of the help has come from drawing down inventories. By now, the U.S. military's branches have sent all the equipment they regard as disposable, and they are protecting the rest. Pushing them to give up more means making difficult tradeoffs among risks. In the early Lend Lease era, these tradeoffs were frequently resolved in the White House, often by Roosevelt himself.



Second, European inventories were often more useful to Ukraine, because the Europeans had stockpiled more. Those inventories have been drawn down. The United States' allies in Europe are anxious. They were promised backfills that are not in sight, as they form queues that look to the 2030s.

Third, the U.S. defense industrial base cannot expand quickly enough to meet the emergencies of the next year or two. That puts a premium on quick mass production of relatively inexpensive defensive systems such as drones. These novel systems are being developed by new producers. The Defense Department does not like to buy from new producers. They are not "programs of record," in Pentagon parlance, and thus do not have an associated acquisition bureaucracy. In the years it takes to meet that threshold, the new producers often die or are bought out. Even if they survive to receive a contract, they often face a thicket of export controls in the International Traffic in Arms Regulations, a U.S. government regime that is a vestige of the Cold War. Ukraine does not have that kind of time.

Fourth, much could be accomplished if U.S. money could be more freely used, including by Ukraine, to buy drones and other needed weapons from non-American suppliers. The Pentagon's acquisition process makes it hard to spend defense dollars on foreigners. Influential U.S. companies like to keep it that way. Americans are not alone in this; several U.S. allies have understandable habits of defense industry protectionism. But these national stovepipes are a peacetime luxury. In World War II, the legendary P51 Mustang, an American-made fighter, flew with a British engine. Leaders should dramatically change the way they buy in this time of crisis, recognizing that the results could benefit them all, including financially.

Fifth, the big defense contractors will not expand their production base without multiyear contracts. But even if they got them, there is little slack in the American industrial base. Contractors also face bottlenecks in supplies of certain critical components. So the longer-term challenge circles back to the goal of pooling the free world's resources. There is more slack in industrial bases outside the United States, very much including Ukraine itself.

The strain to mobilize resources to help Ukraine is a tragedy. It is tragic not only because of the suffering of heroic Ukrainians. It is tragic also because some in the U.S. government are valiantly trying to solve these "how" problems, whether they are banging on the table at



the U.S. Army headquarters in Wiesbaden, Germany, where Ukraine's partners try to coordinate their military help, or in the White House. Yet in a new age of emergencies, they find that most people in most governments are still conducting business as usual.

#### GOVERNING GAZA

The Gaza Strip has been an international policy problem for 75 years. Since 1948, the international goals have been clear and limited: aid Palestinians and prevent war. Raids out of Gaza and Israeli reprisals were part of the spiral of violence that led to the first Israeli occupation of Gaza in 1956. The international community responded brilliantly, showing some of the skills and energy that the West could command in that era.

Within the space of about a week, in November 1956, UN Secretary-General Dag Hammarskjöld and his team, including the American diplomat Ralph Bunche, created the UN Emergency Force, a coalition that was led by Canada and India and enjoyed strong support from the United States. The UN leadership and those three countries drove the work. U.S. President Dwight Eisenhower boosted the UNEF strategy from the start but deferred to India and Canada to provide the military muscle. The Palestinians in Gaza still felt they were at war with Israel. But there was no war. UNEF effectively kept the peace on the Gazan-Israeli border for ten years. When the force was withdrawn in 1967 at the request of Egypt, war quickly followed, and then 38 years of Israeli military rule.

In 2005, when Israel withdrew, outside actors had hoped that Gaza would be ruled by the Palestinian Authority and become part of a Palestinian state, including the West Bank, willing to develop peaceably alongside Israel. That strategy for replacing the Israeli occupation and solving the security problem failed. Hamas, a military movement at war with Israel, then took over Gaza in 2007, throwing out the PA. It resumed warfare, culminating in its bloody raids on Israel on October 7.

A common proposal for the future of Gaza, which the United States has endorsed, is to use the current war to establish a reconfigured PA. The new PA would be more competent and legitimate than the present one based in the West Bank. It would replace Hamas and renew progress toward a two-state solution. This is a reboot of the original goal sought after 2005. I was at the State



Department back then and worked on the policy choices and negotiations involving Israel and the PA about the future of Gaza and Palestinian statehood. The “how” for this strategy is much harder now. The mutual fear and hatred have intensified. Israeli settlements in the West Bank have multiplied. A democratically legitimate PA is more likely to reflect Hamas than replace it. And relevant American capabilities and know-how are more constrained, including by other U.S. priorities.

To many, the current crisis in Gaza seems to demand a central role for the United States. But the United States will not and should not be central in governing Gaza. It should play a secondary role, at most, in providing aid and reconstruction assistance to the strip. It may have capabilities and know-how to help prevent future attacks from Gaza against Israel, but any maritime and commercial control regime to stem the flow of weapons into Gaza would obviously have to be multilateral. As with efforts in Libya, Sudan, Syria, and Yemen, the talks on Gaza already involve the UN, a group of interested Western states, and a group of interested Muslim states.

While the United States makes pronouncements on general goals, the best approach to Gaza would begin by looking at the menu of plausible solutions on the ground there: in governance, sustenance, and security. Officials should work hard on the policy designs these solutions might entail. Each will be complex. With some of that analysis done, they should next ask who in the world has assets, knowledge, or people that can help make one of these designs viable or can incentivize those who can. Then, policymakers should see where, among other countries, the United States comes into play. Finally, they should design and defend the U.S. contribution.

#### RECOVERY ACT

Across the free world, the current period of crisis has spotlighted the mismatch between the institutions it had going in and the quality of effort it needs now. The public debates about national interests are largely disconnected from the practical issues. In the medium term, the U.S. government and its partners must examine whether their institutions—especially the civilian institutions that deal with finance, commerce, technology, and humanitarian relief—are really fit for purpose. People meet constantly, but they strain to get things done. At the end of 2023, the economic side of the U.S. government was



taking protectionist actions that were sabotaging cooperation with allies on green technology, critical materials, and common management of the digital revolution at the same time that Biden claimed to be rallying the free world.

The U.S. Foreign Service could be tripled in size and reconceived on a whole-of-government basis, with overhauled training, and the costs would amount to a rounding error in the overall federal budget. Across the Atlantic, the EU should develop a better growth strategy,

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The United States will not and should not be central in governing Gaza.

with a streamlined European Commission and more effective decision processes by the European Council, the EU's governing board of member states. But the European experiment in common foreign policymaking has not been successful, and national governments must step up to their heightened responsibilities in this time of crisis. As for military power, the overreliance on small

numbers of extremely expensive, exquisite American systems seems out of date and unaffordable, even for the United States. The Ukraine war has encouraged the Pentagon to make big bets—for example, instituting the Replicator Initiative, which is supposed to mass produce and field thousands of weapons that use emerging technologies.

In the next year or two, if East Asia stays relatively quiet and the war in the Middle East does not widen to Iran, the course of the Ukraine war may be the most important bellwether. A rare opportunity beckons in that conflict. Enormous resources are available, thanks to the aggressor's overconfidence in leaving hundreds of billions of dollars and euros in law-abiding states. A landmark recovery program could give Ukraine the future its people yearn for, regardless of where the battle line ends up. The resources could ease the burdens of enlarging the EU and reinvigorate that project. To do the job right is an enormous challenge of policy design. But one lesson of the Marshall Plan was that success breeds successes.

The operational talent that Western policymakers displayed in the twentieth century was not in their genes. It was the accumulation of hard-earned experience and an accompanying culture that reinforced practical professionalism, including new and difficult habits of cooperation with international partners. There is only one way to recover these skills: practice them again. 🌐



# PHILIPPINES

Ripe for growth



## An ocean of opportunities

**According to the National Economic and Development Authority, the Philippine economy will hit its targets for 2023, given the continued growth of the gross domestic product and inflow of foreign direct investment.**

Meanwhile, the Philippine Economic Zone Authority is also confident it will reach its year-end target of \$2.72 billion in new investments following the signing of a free trade agreement with South Korea earlier this year. The Department of Trade and Industry is forecasting that the country will record the second-highest FDI in the ASEAN region by 2028.

The economic rebound following the devastating effects brought about by the COVID pandemic is attributed to the strong performance of the aviation, business processing outsourcing, digital innovation, and professional services sectors, as well as the leadership of local government units, special economic zones, and state-owned enterprises.

Germany's **Lufthansa Technik Philippines**, an aircraft maintenance, repair, and overhaul joint venture established with Philippine-owned MacroAsia Corp. in 2000, has reported positive results this year following a predictable downturn in 2020.

**LTP President and CEO Elmar Lutter** is bullish on the Philippines and, following its recent \$40 million expansion, is confident the country provides his company more advantages amid tight competition with China.

"China has been the workshop of the world for the past decades. Similarly, many airlines bring their aircraft to China for heavy maintenance. However, a realignment is underway. Supply chain managers look for alternatives from single sources," Lutter said.

"We believe that the Philippines is quite well positioned strategically, especially in the aviation sector where the smallest details matter and flexibility could spell the difference between on-time or delayed redelivery. Our business partners work with Filipino mechanics who are fluent in English, master the manual and intellectual skills required on the aircraft like no one else, and culturally have a natural inclination towards customer service," Lutter added.

Amid the optimism, it looks like people are voting with their feet, so to speak. According to the Bureau of Immigration, the country welcomed more than 1.55 million tourists and long-term visitors from the United States, South Korea, Australia, Canada, and Japan last year.

Identifying a need to assist visitors with visa extension and immigration requirements, Filipino entrepreneur **JR Coca** opened **JRC Visa Consultancy** and Immigration Services in Cebu City, the main economic center in the central Philippines.

"We are one of the silver linings of the COVID-19 pandemic. Because of the restrictions, we were able to navigate the applications of our clients, who were locked down in a particular place. We processed the applications here in

**CONTINUED ON NEXT PAGE**

**Integrity, excellence, and success are the cornerstones of Lufthansa Technik Philippines, where we ensure safety and reliability for our customers.**

Lufthansa Technik Philippines' extensive portfolio of MRO operations strengthens your supply chain and maximizes support, allowing you to reach new heights with ease.

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Cebu and Manila. We grew from an initial two branches to seven branches. The majority of our clients, between 70% and 80%, come from the U.S.," Coca said.

At the height of the pandemic in 2020, the Internet economy in the Philippines was estimated to be worth \$7.5 billion. It is expected to grow by 30 percent annually to reach \$28 billion by 2025.

A long-time contributor of foreign direct investment to the economy, the Business Processing Outsourcing industry created 1.3 million jobs and accounted for 9% of the Philippines' GDP in 2022. Some BPOs in the country have transitioned to higher-value services with the emergence of Knowledge Processing Outsourcing.

"The companies who do business with Flat Planet are looking for back office, non-voice, high-value tasks, but also require their workforce to have a sense of personal dignity in the workplace," said **Flat Planet Philippines CEO and Managing Director Chris Moriarty**.

"It's not the classic Filipino BPO job wherein we hire a low-cost fresh graduate straight out of college to perform simple repetitive tasks. We hire highly skilled Filipinos who would go abroad because the jobs that they need don't exist in the Philippines but would prefer to stay home. Flat Planet tries to create a pathway that allows people to live in the Philippines with their families, stay in their community, and still have access to a high-value job," Moriarty added.

Another example of the global competitiveness of the Filipino workforce is **Manila HealthTek Inc.**, a biotech research and development laboratory founded by **Dr. Raul**

**Destura**, who returned to the Philippines after several years of studies and research work in the United States.

"During the height of the pandemic, Manila HealthTek was the first home-grown Filipino company to develop a diagnostic test kit for COVID-19 detection. To have completed a fully functional test kit in record time was a proud moment in Manila HealthTek's history, seeing that a small company like ours has a role to play in nation-building and in helping the country bounce back," said Destura, the company's CEO.

Apart from the COVID test kits, Manila HealthTek also developed tests for infections prevalent in the country, like those caused by *Leptospira*, *Salmonella*, and *Schistosoma*.

Destura, who is also the deputy director of the Philippine Genome Center at the University of the Philippines, said Manila HealthTek's mission is to improve the quality of life of lower and middle-income Filipinos by making test kits affordable.

Beyond the nation's capital, some local government leaders are adopting ideas that are aimed to boost economic growth and reduce poverty. More than 200 km north of Manila, the province of Pangasinan hopes to become Northern Luzon's largest consumer market and a model for sustainable urban development.

To achieve that objective, **Pangasinan Gov. Ramon V. Guico III** plans to roll out a bus scheme that will be a viable, profitable and sustainable mass transportation system.

"We want to implement a 'hop on-hop off' bus transport system with one terminal in Manila. Just like when riding

## A FUTURE PATHWAY FOR HIGH-VALUE TALENT

Under assault first from robotics and now from artificial intelligence, the call center-focused business process outsourcing model in the Philippines is moving towards high-value roles.

**Flat Planet®**, established 2010, has seen a big shift from entry-level task-driven roles being outsourced towards professional roles, which often require specialized skills and deep experience.

"Businesses are looking to use AI to augment professional highly-skilled workforces to lift productivity. AI augmentation means companies can outsource highly-skilled jobs, such as financial and data analysts, engineers, quantity surveyors and software developers; and get a triple benefit of talent, cost savings, and a productivity multiplier," **CEO Chris Moriarty**.

While the number of workers with high skill levels is lower than the number of potential call center workers, the value the BPO industry can bring to the Philippine economy is significant.

"Fewer than 1.5 million call center jobs created a BPO-led boom in the Philippines. Imagine what just half a million high-value jobs can do. Jobs that are higher paid and can build the premium brand the Philippines deserves" said Moriarty.

Flat Planet® gives high-value talent access to off-shore work opportunities and allows offshore businesses to access high-value talent while retaining them as part of their families and local communities. ■

<https://flatplanet.com>

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a train in Europe, one uses an app (to book), except that you're going to use an electric bus. There will be organized intermodal transport terminals, wherein you can hop on in one station and ride one line, then hop off and catch another line to reach your destination," Guico explained.

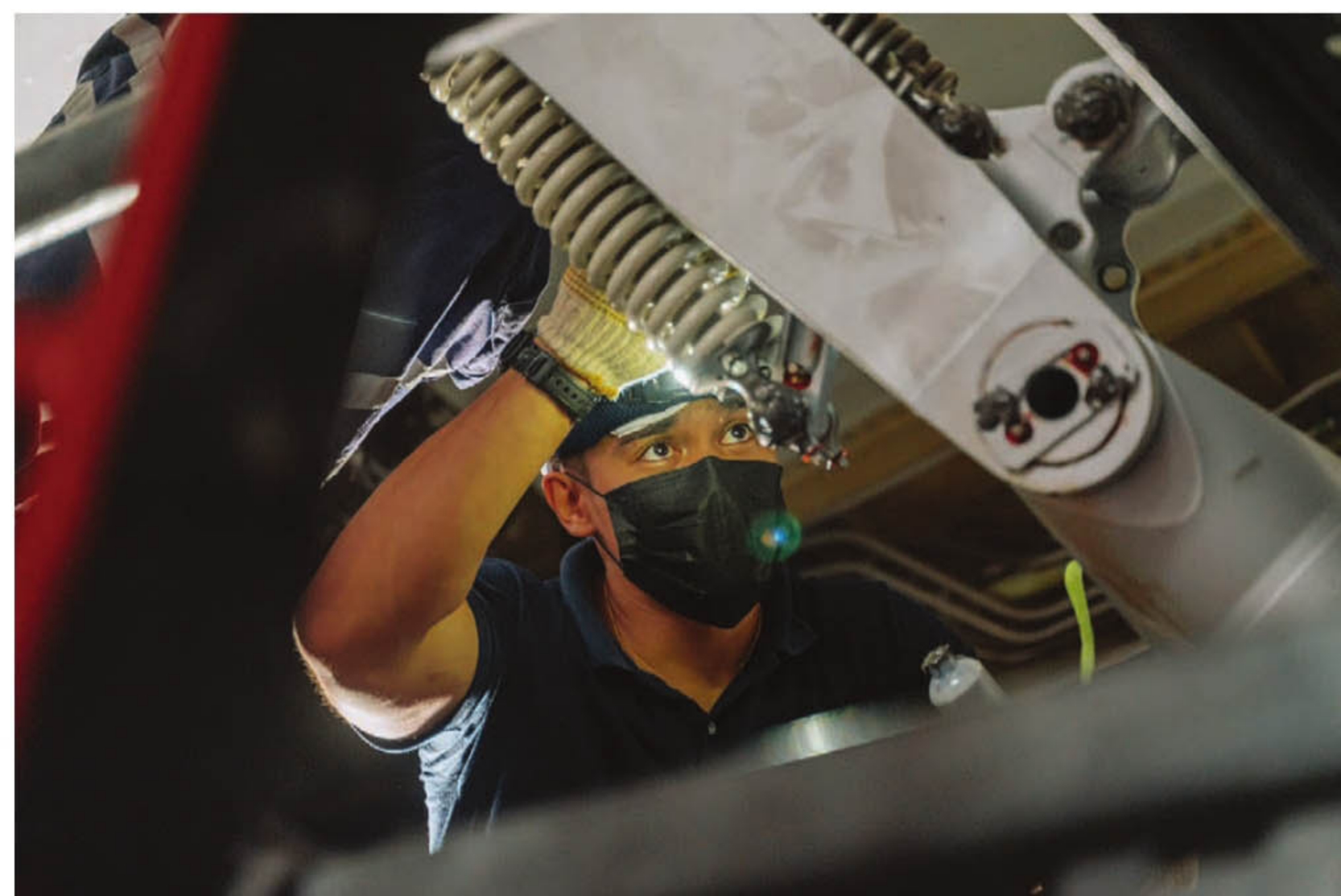
"We're going to organize this and key players in the transport industry would like to be part of it. This transportation model can be followed by other provinces," the governor added.

With financial assistance from the World Bank, the province will open a milkfish (bangus) breeding and hatchery facility, which will produce more than 100 million bangus fry and more than 48 million larvae every year. The big-ticket project is expected to benefit around 39,399 fisherfolk and 63 nursery operators in the province, which accounts for around 28% of bangus production in the country.

To boost tourism, the governor also launched several projects, including building a reflecting pool and interactive fountain in the capitol compound. In September, he also inaugurated Banaan, the province's first museum, which is located at the historic Casa Real, the old provincial seat.

With nine campuses across the province, Pangasinan State University has cemented the province's reputation as the leading education center in northern Luzon. The public university, established in 1974, offers basic and secondary education, college and post-graduate degrees, and open university programs.

Meanwhile, the **National Development Company** is tasked to spur industrial development and drive economic



**Filipinos have earned a solid reputation around the world for their skills and expertise.**

growth through investments by investing in various commercial and industrial ventures.

Recently, NDC partnered with the Department of Trade and Industry to provide equity financing options and support to qualified startup businesses through the Startup Venture Fund, which aims to boost the thriving local startup ecosystem.

"The NDC historically has engaged big business and the agricultural industry. Now, however, we are trying to look at the tech base, innovation, and more startup businesses that are forward-thinking. That's very much the type of joint venture for our future investments," said **NDC General Manager Anton Mauricio**. ■

## NDC: INVESTING IN THE FUTURE

One of the country's oldest companies, the **National Development Company** has invested in 117 companies over the last 104 years as part of its mandate to support business ventures that will benefit the economy.

Ranked 6th in Southeast Asia in the Global Startup Ecosystem Report 2023, the Philippines' startup ecosystem has built a name as an innovation and tech hub in the region. To support the sector, NDC launched the Startup Venture Fund (SVF) in 2021.

According to **NDC General Manager Anton Mauricio**, the SVF is a groundbreaking initiative that aims to fuel the growth of high-potential startups through funding in collaboration with other accredited investors.

In October 2023, **SolX Technologies, Inc. (SolX)** became the first startup to secure funding from the SVF. It secured 11 million pesos (around US\$193,500) in funding from the SVF and also received the same amount from Japanese venture capital firm Real Tech Holdings.

"We are glad to partner with NDC and Real Tech in multiplying solutions for the Philippine energy industry and applaud this concrete commitment to support the domestic startup ecosystem in the country," said **SolX CEO Sergius Santos**.

"We're very bullish on the size of the investments that we do in startups," said Mauricio as he emphasized that the future of the Philippine startup ecosystem is bright because of efforts of NDC, its partners, and passionate Filipino entrepreneurs seeking innovative solutions to both local and global challenges. ■

<https://www.ndc.gov.ph>

## Lufthansa Technik bets on Philippines to become Asia's top service hub

German aviation provider Lufthansa Technik believes the Philippines is well-positioned to become one of Asia's leading centers for aircraft maintenance, repair and overhaul (MRO).

Since 2000, the Hamburg-based company put in \$200 million in a joint venture with MacroAsia Corp. called **Lufthansa Technik Philippines**.

LTP spent another \$40 million to expand its hangar to 9,000 square meters, which was unveiled in 2022. It operates a second facility in Cebu in the central Philippines and is now evaluating whether to launch another MRO site in Clark Freeport Zone, north of Manila.

LTP services, among others, flag carriers Philippines Airlines, British Airways, Qantas, Asiana, Korean Airlines, and Lufthansa, as well as regional low-cost airlines Jetstar of Japan, Vietjet of Vietnam, Indigo of India, and AirAsiaX.

"We have a central role in our expansion in Asia and Lufthansa Technik CEO Soeren Stark also thinks that the Philippine operations are vital to Lufthansa Technik AG's success. We have a good foundation and a good base to operate from," Lutter said.

<https://www.lht-philippines.com>

"I think airlines will give us even more consideration in the future so as to develop alternatives to MRO options in China because of the known challenges there," said **Lufthansa Technik Philippines President and CEO Elmar Lutter**.

"The Philippines has a long aviation history. We have great pilots, technicians and excellent aviation colleges. Also, most of the international aviation maintenance workforce comes from the Philippines and this gives us quite a talent pipeline," Lutter added.

 **Lufthansa Technik Philippines**



## Province of Pangasinan

# Breaking new ground for economic development

**"M**y challenge was how do I make our town progressive? What I did was I anchored the equally important purpose of a local government unit to its corporate function." That was the biggest challenge expressed by **Ramon V. Guico III** when he took over as governor of Pangasinan last year.

"We have set clear directions for investors and instituted policies that would be beneficial to them. So, we established the Provincial Economic Development Office and the Pangasinan Investment Authority, which will be the investment arm of the province," said Guico, who has also served as a member of the House of Representatives and as mayor of his hometown, Binalonan.

At every stage of his career, Guico brings with him a deeply rooted sense of idealism that embraces new ways of performing his job, while eliminating deeply entrenched bureaucratic processes.

"When I was mayor of Binalonan in 2010, the town's budget was 92 million pesos (around \$1.6 million). The budget for 2023 is 450 million pesos (around \$7.9 million). This was achieved in just 13 years. That's my model and it's what I'm following now as governor of Pangasinan," he said.

"That's why I established the first economic zone in the province. We got Sumitomo Corporation pre-pandemic, which was at the time the largest Sumitomo manufacturing plant in the country. The plant assembles

wiring harnesses for Japanese electric vehicles. Phase one of the plant operates with 3,000 employees. There are still phase two and phase three expansions to come, which will eventually create 10,000 jobs in Pangasinan," he added.

Deriving its name from its main product, the province hopes to revitalize traditional salt-making. In May, it asked the Department of Environment and Natural Resources to operate a 473-hectare salt farm in the town of Bolinao, which will hopefully produce 25,000 metric tons of salt every year.

That salt farm is the largest of its kind in the Philippines, according to the governor, a licensed pilot and the founder of a small airline company and flying school. He also announced plans to build an airport in Bolinao.

Capitalizing on the province's abundant mineral resources, Guico launched automated digital apps to modernize and boost the collection of revenues from mining and quarrying operators.

"Previously, our projected income from river quarrying was only 12 million pesos a year (around \$211,000). That's small for a province as large as Pangasinan. We implemented the new quarry ordinance that included the utilization of automated apps and were able to collect 102 million pesos (\$1.8 million) since then. Now, we're projecting between 200 to 300 million pesos (\$3.5 and \$5.3 million) in annual collections," he said.



**Pangasinan Governor Ramon V. Guico III**

To strengthen Pangasinan's connectivity with Manila and the rest of Luzon, the governor announced the construction of the Pangasinan Link Expressway or PLEX in October 2023.

"The East-West Expressway is a joint venture with San Miguel Corporation. Phase One, which we call the Pangasinan Link Expressway, will be a 42.76-km expressway that will link Binalonan to the provincial capital of Lingayen and will cut travel time from an hour and a half to between 25 and 30 minutes," Guico said.

To protect Pangasinan's vital agricultural land and spare the province from mismanaged urban planning, Guico plans to build affordable high-rise housing.

This expansive vision of development comes with an open invitation.

"Our basic message is whether you move here, raise a family, or place your investment here, Pangasinan is a place of great opportunities. We have a government that provides unique support to investors. We do our best to run things like a corporation," Guico said. ■

<https://www.pangasinan.gov.ph>  
<https://seepangasinan.com>

SPONSORED SECTION



**Pangasinan wants to scale up its salt-making industry and aims to produce 25,000 metric tons of salt every year.**



**Opened in September, the Banaán museum will showcase the province's rich history and cultural heritage.**



# The Case for Conservative Internationalism

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## How to Reverse the Inward Turn of Republican Foreign Policy

KORI SCHAKE

It is hard to think of a more chaotic moment in the history of the Republican Party than the present; perhaps only Andrew Johnson's 1865–68 presidency comes close. The GOP's de facto leader, former President Donald Trump, faces 91 felony charges in four separate criminal cases. After serving just nine months as Speaker of the House, Representative Kevin McCarthy of California was forced out of the speakership by eight members of his own party, triggering a round-robin tournament that left the House paralyzed for weeks before a little-known member pieced together the votes to replace him. House Republicans have been flirting with shutting down the government and defaulting on the national debt in legislation that has no prospect of winning support even from fellow Republicans in the Senate, while

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KORI SCHAKE is a Senior Fellow and Director of Foreign and Defense Policy Studies at the American Enterprise Institute and the author of *Safe Passage: The Transition From British to American Hegemony*. She served on the National Security Council and in the U.S. State Department under President George W. Bush.



Trump spreads lies about the 2020 election and strategizes about weaponizing the U.S. executive branch against his opponents.

The GOP's disorder is especially evident—and dangerous—in the realm of foreign policy. For decades since 1952, the Republican Party had a fairly clear international vision: promote American security and economic power while supporting the expansion of democracy around the world. That meant providing for a strong military, cooperating with allies to advance shared interests, and boosting U.S. power in international institutions. It meant advancing free trade, ensuring fair international competition for U.S. companies, and promoting the rule of law in immigration policy. And it meant opposing authoritarianism, especially when autocrats directly challenged U.S. interests.

Republicans' commitments to these principles have weakened dramatically. Trump whiplashes between a wish to project U.S. power abroad and isolationism; recently, he has vowed to withdraw from NATO, end imports of Chinese goods, deploy the U.S. military onto American streets to fight crime and deport immigrants, and “drive out” “warmongers” and “globalists” from the U.S. government. Other conservative leaders—such as Florida Governor Ron DeSantis and the entrepreneur Vivek Ramaswamy—express outright hostility toward sustaining the United States' international commitments. Most GOP presidential candidates offered unqualified support for Israel after Hamas's attack, but Trump appeared to be impressed with it. On Ukraine, the party's politicians are split, with just over half of House Republicans voting in September 2023 to halt U.S. aid to Kyiv's defense against Russia's invasion.

So it does not appear to be an auspicious time for traditional Republican internationalism to regain its influence over the GOP. To some degree, GOP leaders' stances reflect an apparent isolationist turn among their constituents. An August 2023 Civiqs Daily Tracking poll found that 77 percent of registered Republican voters agree that the United States should become less involved in solving problems overseas. It might not even seem urgent that Republicans develop a clear foreign policy at all. As recently as April 2023, when a *Wall Street Journal* poll asked likely Republican voters which issues were most important when they assessed presidential hopefuls, foreign policy ranked fourth, tied with a candidate's view on crime. By August 2023, foreign policy had sunk to GOP voters' lowest priority among 14 policy positions, falling behind the economy, inflation, immigration, and others.

But foreign policy should be an urgent priority. The world is growing more dangerous, and foreign policy bears directly on the state of the



domestic economy and, thus, Americans' very livelihoods. Extending U.S. power abroad—and U.S. influence in international institutions such as NATO—deters foreign aggression that might otherwise disrupt the U.S. economy. Expanding trade helps create fair international competition for U.S. businesses. And U.S. President Joe Biden's foreign policy has helped generate the economic discomfort that Republican voters put at the top of their list of concerns. The Biden administration works from the theory that U.S. foreign policy has failed the middle class and needs to be repaired through market protections and government subsidies; this approach has stoked inflation, distorted markets, stunted trade, and frustrated U.S. allies.

The United States needs a strong and vibrant Republican Party. To make a more coherent case for how it would solve the country's problems, the party will have to clarify its foreign policy focus. Traditional conservative internationalism remains the best way to protect U.S. national security and steward the economy. And voters, in fact, may still be eager for an internationalist foreign policy agenda—if that agenda could be presented to them persuasively. A July 2023 Reagan Institute poll revealed that “strong majorities of Americans believe their country should lead the world, invest in military power, promote international trade, support freedom and democracy, and stand with Ukraine until it wins its war against Russian aggression.” Self-described Trump voters mostly identified as internationalists, not as isolationists, and their support for assisting Ukraine increased by nearly a third—from 50 percent to 64 percent—when the pollster explained how that aid contributed to U.S. security.

Americans, including conservatives, remain what they have always been: reluctant internationalists, but internationalists all the same. They do not respond well to abstract appeals about preserving the “international order.” But they understand that if the world lets China set the rules, U.S. liberties will become less secure, U.S. businesses will be disadvantaged, and U.S. allies will be left vulnerable. Voters do not need Republicans to pander to Trumpism or to polls that suggest soft support for internationalism. They do need Republicans to advance a theory for what is happening in the world and how the party intends to protect the country and secure Americans' prosperity. No such theory can be developed without a clear foreign policy.

#### PROTECTION RACKET

Despite Biden's abandonment of Afghanistan, his administration has done well in rallying support for Ukraine, strengthening U.S. defense alliances in the Pacific, and helping Israel respond to Hamas's terrorist assault.



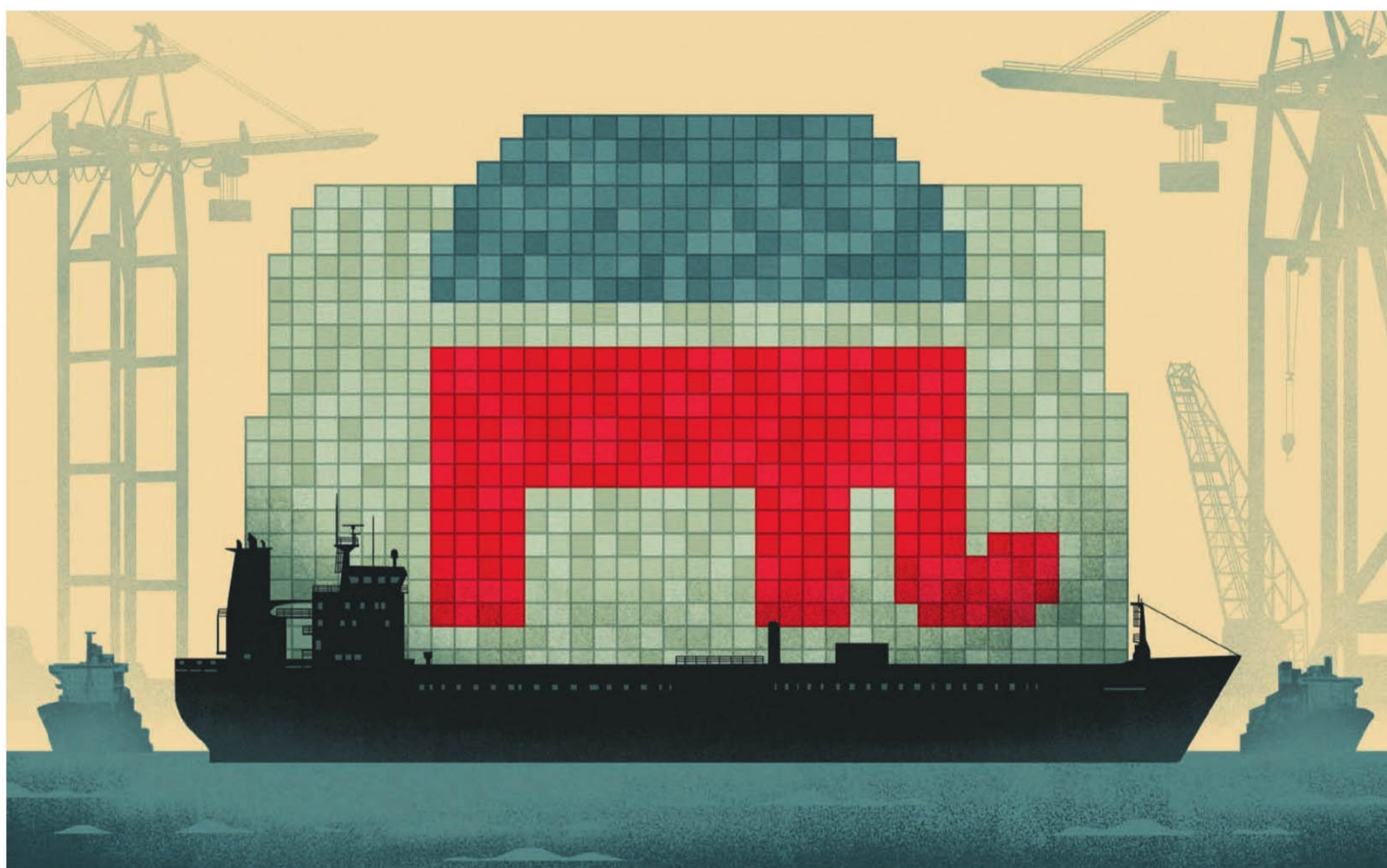
But a gaping hole exists in the middle of Biden's foreign policy, created by protectionist economics. At the heart of the Biden administration's foreign policy is a belief that although the United States has many sources of dynamism—its deep private and public capital markets, its relatively permissive legal immigration policies, its world-class universities, its strong Chapter 11 bankruptcy protections, and its uniquely creative and skilled labor force—U.S. businesses cannot prosper domestically or compete internationally unless the government funds them and shields them from competition.

The consequences of this fundamental misconception are both geopolitical and economic. Biden has failed to recommit to ratifying the United States' accession to the Trans-Pacific Partnership—a trade agreement with 12 dynamic Asian countries that President Barack Obama signed but Trump repudiated. Instead, Biden offered a vacuous alternative in the Indo-Pacific Economic Framework, a nebulous pact that the White House has readily acknowledged “is not a trade agreement.” The administration is forgoing a chance to lower tariffs and strengthen labor and environmental standards on imports, thereby directly advantaging China: in 2021, China applied for admission to the TPP in the United States' place.

The Biden administration's “Buy American” restrictions have stressed supply chains, penalized foreign companies such as Samsung and Toyota that have created a huge number of jobs in the United States, and embittered allies that the United States will need in future conflict with China. Biden has retained Trump-era tariffs that even he has described as self-defeating. The global South is eager for international trade and investment, but the Biden team is ceding these trade opportunities to Chinese businesses. That not only passes up mutually beneficial economic opportunities but affords developing countries little reason to support the United States when Washington appeals for help in its efforts to aid Ukraine and Israel.

Going forward, Biden's foreign policy stance will prevent the United States from achieving the economy of scale that can match or exceed China's, especially as Beijing deepens its collaborations with Moscow and Tehran. The guiding principle of U.S. policy toward China should be to force or motivate it to become a responsible economic and geopolitical stakeholder—to play by international rules. To prevent China from acquiring critical technologies such as advanced semiconductors, the Biden administration has advocated a “small yard, high fence” approach, protecting a limited number of technologies but imposing severe threats of secondary sanctions against adversaries and allies alike if they do not also restrict sales to China. This position risks alienating allies that share U.S.





security objectives, invest in U.S. companies, buy enormous amounts of U.S. products, and boast cutting-edge firms whose technological innovations and manufacturing capacity U.S. companies need. For instance, unilaterally imposing restrictions on chip-making tools and telling allies to follow the United States' lead was resented in both The Hague and Tokyo.

Washington should long ago have tightened restrictions on U.S. funding for Chinese military technologies and reduced dependence on Chinese products in critical areas such as pharmaceuticals. But a better approach to China would also offer trade advantages to allied countries in the form of an economic NATO, urge allied governments to prevent companies from surging into markets that Chinese economic warfare restricts, and rally public demand for products that China penalizes. The United States should also license more friendly countries to produce products critical to the U.S. defense industry.

In a September 2023 Chicago Council on Global Affairs survey, 74 percent of Americans surveyed—nearly an all-time high—believed trade was good for the U.S. economy. Eighty percent believed it was good for their own standard of living, and 63 percent thought it was good for creating jobs. In the July 2023 Reagan Institute survey, 58 percent of respondents believed that negotiating favorable trade deals should be a foreign policy priority, and 62 percent of Republican respondents supported signing a trade agreement with Asian countries if the respondents were told that the agreement was designed to counter Chinese economic power.



The problem with U.S. strategy toward globalization in the past 20 years was not that Washington allowed too much trade but that it permitted trade that did not establish reciprocity—trade that did not create a level playing field on which U.S. firms could compete with foreign counterparts, principally China. Trade deficits with China cost the United States 3.7 million jobs between 2001, when China was admitted to the World Trade Organization, and 2018. Three-fourths of these lost jobs—2.8 million—were in manufacturing. After Washington allowed Beijing the benefits of free trade without requiring it to play by the rules, the consequences of unequal trade with China affected every congressional district in the United States. China maintained industrial subsidies, pirated intellectual property, forced companies into joint ventures, and restricted access to its market—practices it continues to this day.

In addition to placing more restrictions on China, the United States should engage in more meaningful trade talks with Indonesia, the Philippines, Switzerland, Taiwan, and the United Kingdom. Washington's current lack of an effective economic line of operations overmilitarizes U.S. strategy. Allies do not want a war with China, and they do not want a moral crusade against authoritarianism. They are pleading for an economic strategy that helps them reduce their reliance on China and remain prosperous. Good, inventive trade policy could create not only a bigger yard—a larger group of countries that adhere to fair rules and norms—but also higher walls, by encouraging more voluntary cooperation against China and others when they do not play fair.

#### BROKEN ARMOR

Little unites Americans more than a belief that the U.S. military should be strong. The Reagan Institute poll showed that 92 percent of Republicans, 81 percent of independents, and 79 percent of Democrats believe that sustaining the strength of the U.S. military is essential to maintaining the country's peace and prosperity. More than 70 percent of Americans believe that Washington should increase its spending on defense.

But a gap is growing between what the United States commits itself to doing militarily and the force it funds. In March 2023, Biden proudly advertised his \$842 billion budget request for the U.S. Department of Defense as the largest such request in U.S. peacetime history; it represented a 3.2 percent increase in nominal spending. With inflation running higher than that throughout most of 2023, however, the request amounted to a real reduction in defense spending for the second year in a row. Moreover, \$109



billion, or one-eighth, of the U.S. defense budget that was approved in 2022 was spent on things that do not directly or indirectly assist in fighting and winning wars, such as breast cancer research.

The U.S. government's neglect of the military has been a bipartisan problem. In 2011, Republicans helped pass the Budget Control Act, which over the ensuing ten years, cut \$600 billion from the Defense Department's budget. And if the budget agreement that McCarthy negotiated with Biden in May 2023 goes into effect in the spring of 2024, it will cut defense buying power by another \$100 billion. Unless the U.S. government radically revises its willingness to fund defense, it will fail to deter its adversaries and could very well lose its next war.

In 2015, the Chinese navy had 255 ships capable of contributing to combat operations. Now it has 370. The U.S. Navy has only 291, and the Biden administration plans to further reduce that number to 280. Military unreadiness is now perhaps the greatest national security challenge for the United States. In a war against China, U.S. forces could run out of critical munitions in a week.

Fortunately, neither China nor Russia has yet directly challenged the United States in ways that require Washington to fight outright. But they are getting close. After World War II broke out, it was a lucky thing that the United Kingdom and the Soviet Union held out long enough for the United States to ramp up military recruitment and expand its defense industrial base to prepare to join the war. Americans may assume that the United States has similar leeway now; this assumption constitutes a very dangerous temptation to its adversaries.

As the war between Russia and Ukraine drags on, sentimental appeals about Ukrainian courage and Russian depredations are wearing thin. And Republicans have legitimate concerns: they want to reduce federal spending, ensure that U.S. aid money does not get siphoned off by corrupt Ukrainian officials, and understand where assisting Ukraine should rank in the hierarchy of U.S. interests.

But Biden is giving only enough aid for Kyiv to keep fighting, not enough for it to win. There is a strong conservative case to make for continuing, even increasing, U.S. assistance to Ukraine. For a price of just five percent of the 2023 U.S. defense budget and no U.S. casualties, Ukrainians are fighting the war NATO feared it might have to fight. Voters should know that 60 percent of U.S. assistance to Ukraine goes to U.S. companies that make the weapons sent to Kyiv. And the United States' engagement with Ukraine has revealed the dangerous deficiencies that



Washington has allowed to creep into its defense. Ukraine is in some ways providing both the inspiration and the warning that the United Kingdom did during World War II, allowing the United States to see where its military is unready for what it may be called to do.

Adequately funding defense will ineluctably require entitlement reform. Neither party wants to touch existing entitlement programs—namely, Social Security and Medicare—even though they are becoming unaffordable: entitlements constitute 63 percent of federal spending, up from 19 percent in 1970. Outlays to these programs are squeezing Washington's discretionary spending, and the interest the country must pay on its huge national debt will further constrict what it can spend on both defense and domestic programs. U.S. federal debt stands at \$33 trillion. According to Moody's Analytics, by 2025 or 2026, federal interest payments on that debt will exceed defense spending.

Former North Carolina Governor Nikki Haley and former New Jersey Governor Chris Christie are the only Republican presidential candidates who own up to the necessity of entitlement reform. But their acknowledgment of it is an excellent start. Legislators already have a blueprint for how to cut entitlement spending in the recommendations made by the 2010 bipartisan National Commission on Fiscal Responsibility and Reform. Both parties need to change their attitude toward entitlement reform, but Democrats will likely keep whistling past the graveyard unless Republicans regain their own seriousness about putting entitlements on a sustainable footing to free up funding for defense and other domestic priorities.

#### BORDER FOLLY

According to analysts at the Brennan Center, a nonprofit law and public policy think tank, many Americans do not understand why the U.S. military does not protect U.S. borders. There is room here for better Republican policy; indeed, immigration policy has a crucial connection to foreign policy and to the United States' economic health. A January 2021 Pew Research Institute poll found that 68 percent of Americans think the United States is doing a bad job of managing its borders. And that is true: since January 2020, an estimated 200,000 migrants have attempted to cross into the United States illegally every month via the Mexican border, more than at any other point in the last 20 years. Contrary to sensationalized media coverage, the vast majority of these migrants are adults, not unaccompanied minors.

The 1878 Posse Comitatus Act prohibits the U.S. military from functioning as a domestic police force. Already overstretched generals do not



want to take on the job of protecting U.S. borders and are hesitant to launch missions that might tarnish Americans' respect for the military. But to build more support for U.S. engagements abroad, political leaders need to show they can bring more effort and resources to border security. The January 2023 Pew survey found that a majority of Americans support giving the U.S. Customs and Border Protection Agency more money to secure the U.S.-Mexican border.

More than money and extra personnel are needed. The U.S. Customs and Border Protection Agency has estimated that over 60 percent of recent migrants are not from Mexico or Central America but begin their journey in farther-flung places such as Colombia, Cuba, Peru, and Venezuela and then travel through Mexico. The United States should invest more: in surveillance and other technologies that increase its ability to track migrant movements through Central America and to make interdictions beyond the U.S.-Mexican border; in new immigration courts to process asylum claims more quickly; in more cooperation with Mexico to forestall migrants' transiting its territory; and in more engagement with migrants' countries of origin, both to help resolve the problems that precipitate mass emigration and to ease the return of migrants who do not meet U.S. immigration criteria.

The failure to properly regulate immigration is leading the United States to neglect its current biggest geopolitical opportunity: consolidating North American cooperation. U.S. politicians do not worry enough about the downsides of Mexico sinking into criminality and do not act creatively enough to make Canada, Mexico, and the United States a common platform for energy, labor, and manufacturing. With clearer immigration policy, supply chains at risk of weaponization by China could be more easily relocated to Mexico; California's and Texas's creaky energy grids could be strengthened by increasing both imports and exports of energy from Canada and Mexico. If the United States created opportunities for nearby neighbors to prosper that directly enhance the U.S. economy, Americans would see the advantages of shaping the world in ways that expand security and prosperity. Until Americans are more confident that the United States has control over its borders, however, they may not be willing to support the cooperation opportunities that its geographical position offers.

#### HELLO, WORLD

The world that the United States and its allies created after World War II made the United States much safer and richer. But Americans need to



be reminded that if the United States does not enforce this international order, someone else will. That someone else would likely be China. And China in charge would make for a dangerous world in which it and authoritarian allies such as Russia and Iran could amass the military and economic power to impose a repressive vision on the world.

Rejoining the Trans-Pacific Partnership, negotiating and securing the ratification of other trade treaties, increasing defense spending while reforming entitlements and reducing the national debt, securing the U.S.-Mexican border, aiding countries fighting to preserve their liberty: these are big goals. The American Enterprise Institute scholar Fred Kagan observes that “no one wants to die for the international order.” It is too diffuse a concept.

But selling voters on an internationalist foreign policy may not be nearly as hard as some politicians imagine if they approach the public with more concrete arguments grounded in U.S. national interest. The Biden administration and too many Republican leaders now engage in nativist, self-interested appeals—false assertions that internationalism has made the United States weaker or that caring about the U.S. national interest means ignoring the world. This could not be further from the truth. The United States’ international choices shape its domestic landscape. Currently, U.S. leaders are making incoherent foreign policy choices that render the country less safe and less prosperous—choices that will only become much more painful to undo down the line.

Behind the United States’ partisan polarization lies a general confusion and disillusionment. A June-July 2023 Pew poll found that just 16 percent of Americans trust the federal government, the lowest level in 70 years of polling. Just 10 percent agreed that politics made them feel hopeful. In August, in a *Wall Street Journal* poll, 93 percent of likely Republican primary voters agreed that the United States is headed in the “wrong direction.” These are grim findings. But they also represent an enormous opportunity—an opening for good, clear policies to gain traction, because Americans are obviously dissatisfied with what they are getting.

The solution is not to adopt policies that abandon trade, weaken the U.S. military, leave the U.S.-Mexican border chaotic, and cease giving aid to deserving allies. Americans still resolutely want to secure a role for the United States as a leader in the world, both for the country’s sake and for their own individual safety and prosperity. U.S. leaders must show they know how to do it. 🌐



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# Taiwan and the True Sources of Deterrence

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## Why America Must Reassure, Not Just Threaten, China

BONNIE S. GLASER, JESSICA CHEN WEISS,  
AND THOMAS J. CHRISTENSEN

**T**he growing might of China's military and its increasingly aggressive posture toward Taiwan have made deterrence in the Taiwan Strait a tougher challenge than ever before. It is incumbent on the United States to support Taiwan's efforts to develop a defensive "porcupine strategy." Washington can help Taiwan's military stockpile and train with coastal defense and air defense weapons, field a robust civil defense force, and create strategic reserves of critical materials such as food and fuel to deter and, if necessary, defeat an invasion or blockade of the island. The U.S. military should also better prepare

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to cope with China's expanding arsenal of missiles that pose a threat to U.S. regional bases and even aircraft carriers by creating a stronger, more agile, and more geographically dispersed military presence in the region.

But deterrence is not just a matter of weapons in arsenals, boots on the ground, planes in the air, ships at sea, or strategies on the planning table. Signaling a credible military threat is only part of a successful strategy of deterrence. It also takes assurances to keep potential adversaries at bay. A threatened state has little incentive to avoid war

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**Military threats  
alone may fail  
to prevent a war  
over Taiwan.**

if it fears the unacceptable consequences of not fighting. As the Nobel Prize-winning economist Thomas Schelling wrote years ago, "‘One more step and I shoot’ can be a deterrent threat only if accompanied by the implicit assurance, ‘And if you stop, I won’t.’"

In truth, the more powerful and credible one's threat of military action, the more important and the more difficult it is to credibly assure the potential adversary. The three parties involved in the Taiwan Strait are not providing one another with sufficient assurances. For example, to enhance deterrence, Washington must make clear that it opposes any unilateral change to the status quo, not only an attempt by Beijing to compel unification but also a political move by Taipei to pursue independence. And as the United States works with Taiwan to strengthen its security, it must avoid giving the impression that it is moving toward restoring formal diplomatic relations or a defense alliance with the island. Combined with a conditional and credible threat of a military response by the United States and Taiwan to the use of force, such assurances will help prevent a war.

Ill-advised statements made in the past by former and current U.S. officials suggesting that the United States should formally recognize Taiwan as a sovereign state or restore a clear alliance commitment to defend the island would, if adopted, undercut assurances and weaken deterrence as surely as would a lack of military readiness. U.S. military threats will lose their potency if Chinese leaders believe that the United States will take advantage of their restraint to promote Taiwan's formal independence or to prevent unification under any circumstances, even if it were to result from peaceful, uncoerced negotiation. Beijing may determine that refraining from an attack would mean it would forever lose the possibility of unification or would allow the United States to



restore something akin to a defense alliance with Taiwan. And if China comes to that conclusion, then Washington's focus on beefing up military power in the region may still fail to prevent a war.

DAMNED IF THEY DO, DAMNED IF THEY DON'T

Although the logic of deterrence through brute strength is intuitively appealing, both theory and history show that the threat of punishment fails to deter if it is not paired with assurances that those same military capabilities will not be used to in some way hurt the other side. "The purpose of combining conditional assurances with conditional threats," the political scientist Reid Pauly has noted, is to "present a choice; one that does not lead the target to believe they are 'damned if they do, and damned if they don't.'"

For effective deterrence, both threats and assurances must be credible. As the scholars Matthew Cebul, Allan Dafoe, and Nuno Monteiro have noted, "Power boosts the credibility of threats but undermines that of assurances." This dynamic is what political scientists have long described as the security dilemma. To issue credible threats and assurances simultaneously, leaders must cultivate "a reputation for restraint in the face of compliance" rather than simply a reputation for unconditionally inflicting punishment. And it is precisely because the United States should bolster and diversify its military presence in the region and help strengthen Taiwan's defenses that it must also provide clearer and more persistently conveyed assurances.

Beijing, Taipei, and Washington are all focused on demonstrating resolve and building convincing wartime capabilities to signal their preparedness and willingness to use force. Beijing hopes to prevent Taiwan from further consolidating its separation from the mainland, while Taipei and Washington hope to deter Beijing from attacking Taiwan to force unification. Yet all three parties have neglected corresponding efforts to signal to one another that these military preparations are not meant to alter the status quo or to preclude the prospect of an eventual peaceful resolution of cross-strait differences. To be sure, leaders on all sides have, to some extent, continued to offer assurances to one another. Senior Biden administration officials have reaffirmed that the United States does not support Taiwan's independence; Chinese leaders have reiterated that "peaceful reunification" remains their preferred option (although they tend to regard coercive efforts, short of war, as still peaceful); and leaders in Taipei have refrained from pushing for



formal independence. Unfortunately, officials in all three capitals have also expanded the scope of what they believe are legitimate measures to signal resolve in response to perceived threats, fueling a potentially dangerous spiral of actions and reactions. Beijing, Taipei, and Washington have not reiterated key statements that once made an eventual peaceful resolution at least conceivable. Such assurances were never meant to promote a near-term resolution or to specify the details of any eventual resolution; they were meant to convey that there still might be peaceful ways of settling cross-strait differences.

For instance, Beijing's proposals regarding the governance of a future Taiwan unified with the mainland have grown less generous over time. The "one country, two systems" offer that Beijing made in a 1993 white paper included allowing the island to "have its own administrative and legislative powers, an independent judiciary, and the right of adjudication" as well as "its own party, political, military, economic, and financial affairs," and a pledge that Beijing would not send troops or administrative personnel to be stationed in Taiwan. The former assurance disappeared in China's 2000 white paper on the topic, and the latter was removed in its 2022 iteration. "One country, two systems" was never a popular concept in Taiwan, and it has become even less so now that Beijing has tightened its hold on Hong Kong, where it had pioneered the approach. Combined with increasingly aggressive and frequent Chinese military operations near Taiwan, the failure to offer more attractive options for Taiwan's future only makes Beijing seem both more threatening and less trustworthy.

As for Taiwan, the ruling Democratic Progressive Party has a long tradition of supporting independence, but since 1999 it has ceased calling for the creation of a Republic of Taiwan and instead maintains that Taiwan, formally known as the Republic of China, is already an independent sovereign state. The current DPP president, Tsai Ing-wen, has refrained from seeking formal independence and has sought to alleviate Beijing's worst fears, adhering to her 2016 pledge to act in accordance with the Republic of China's constitution, which defines China as including both sides of the strait. At the same time, she has refused to accept the "1992 Consensus," an alleged understanding between representatives of Beijing and the KMT (Kuomintang, the Chinese Nationalist Party) that mainland China and Taiwan belong to one and the same country even as they disagreed about whether that country was the Republic of China or the People's Republic of China.



DPP members and many scholars dispute that such a consensus ever existed. Still, Beijing accuses Tsai of altering the status quo by failing to accept the 1992 consensus, which her rivals in the KMT continue to endorse. And although she has resisted pressure from radicals in her own party to pursue measures that would likely be interpreted in Beijing as moves in the direction of independence—such as ceasing to use the Republic of China national anthem or insisting on the use of the moniker “Taiwan” rather than “Chinese Taipei” at international sporting events—Tsai has allowed the teaching of Taiwan’s history separate from the history of China in high schools.

And questions remain about the sustainability of Taiwan’s restraint in the future. The current DPP vice president and front-runner in the presidential election scheduled for January 13, 2024, Lai Ching-te, has in the past advocated for independence more stridently than Tsai, describing himself in 2017 as a “political worker for Taiwan independence.” More recently in July 2023, Lai told supporters at a campaign event that his party’s ambition is to have a sitting president of Taiwan “enter the White House,” which implies his goal is to upgrade Taiwan’s relationship with the United States, raising alarm in Beijing and prompting a request for clarification from Washington.

As for the United States, the Biden administration has regularly reiterated that it “does not support Taiwan independence” and opposes unilateral changes to the status quo by either side. These statements are consistent with the traditional U.S. policy of “strategic ambiguity” in which the United States avoids specifying under what conditions it would intervene in a cross-strait conflict and thereby does not give a green light to independence advocates in Taiwan or provoke Beijing by appearing to restore the U.S. alliance commitment to Taiwan. But the credibility of those statements has been called into question by Biden’s repeated insistence that the United States would come to Taiwan’s defense if attacked because it made a commitment to do so, even though the United States has not had a formal obligation to defend Taiwan since it abrogated the alliance with Taipei in 1979 as a precondition to normalizing diplomatic relations with Beijing. Biden administration officials have also noticeably failed to confirm that the United States would accept any peaceful resolution of cross-strait differences achieved through negotiations and without coercion. The Biden administration’s omission of this assurance has increased Beijing’s suspicions that Washington would never accept any form of



cross-strait integration, even if achieved through nonviolent means. So have statements by Ely Ratner, the assistant secretary of defense for Indo-Pacific affairs, that Taiwan is “located at a critical node within the First Island Chain” in the Western Pacific, implying that the island is strategically indispensable to the defense of U.S. allies and thus no form of unification would be acceptable to the United States.

Chinese officials no doubt perceive Washington’s efforts to strengthen ties with Taiwan and pursue a stronger military posture in the region as a serious demonstration of resolve. But U.S. actions, paired with the rhetoric of American officials, have also raised fears in Beijing that the United States seeks to “use Taiwan to contain China,” as China’s State Councilor and Foreign Minister Wang Yi charged at a press conference in August 2022, and to restore something akin to the alliance that existed with Taipei before 1979. Some analysts in Beijing fear that recent U.S. attempts to reopen high-level diplomatic channels with Beijing merely mask continued efforts to weaken China and prevent even peaceful unification from ever occurring. Such fears are exacerbated by statements by members of the U.S. Congress, former senior officials, and leading scholars who call for everything from restoring official relations with Taiwan to resurrecting the U.S. alliance with it to stationing large numbers of U.S. forces on the island.

#### DOUBTS AND FEARS IN THE STRAIT

To shore up peace and stability in the Taiwan Strait, all sides must recognize that credible assurance is essential for effective deterrence. Credible assurance is not a reward or a carrot. It is a guarantee that a threat is fully conditional on the behavior of its target. Such assurances are not the same as trust-building measures, which are incremental compromises made in a gradual and reciprocal manner. By contrast, an assurance does not have to be reciprocated, as it is not a concession or an effort to build trust. It can and should be made unilaterally to strengthen deterrence, as long as it does not weaken the credibility or capacity to respond to perceived threats. On its own, a credible assurance would strengthen deterrence. If reciprocated, it could, over time, build trust among the parties and reduce tensions.

Beijing has long threatened to adopt “nonpeaceful” means if Taipei appears to be pursuing permanent separation or formal independence. But the Chinese military buildup and intense military drills near Taiwan have fueled fears that Beijing is shifting from a policy of deterring any pursuit of independence by Taiwan to compelling unification



through coercion or military force. As these doubts and suspicions multiply, all sides will lose the incentive to avoid provocative moves. When Beijing fails to reassure Taipei that its military preparations are not a harbinger of a coming attack, it undercuts incentives for people in Taiwan to support moderation by its political leaders. The lack of credible Chinese assurances also strengthens the hand of American politicians and commentators who want to scrap strategic ambiguity, upgrade ties with Taiwan from unofficial to official relations, and restore defense commitments to the island akin to those that obtained before 1979.

To strengthen the credibility of Beijing's commitment to a peaceful process, China should dial back its military operations near Taiwan. Having used such operations to register displeasure with U.S. Speaker of the House Nancy Pelosi's visit to Taiwan in August 2022,

Chinese air and naval exercises should be reset to the two-decade practice of tacitly observing the Taiwan Strait centerline. Beijing also codified into a 2005 law its right to use force against Taiwan if it perceives that peaceful unification is no longer possible. The vague conditions and implied impatience of such a threat have failed to convince people in Taiwan that the island will not be attacked as long as they do not attempt to permanently separate from China. Without such an assurance, Taipei has less reason to refrain from pursuing unilateral changes in the status quo. China should revise this language to incorporate the assurance that as long as Taiwan does not pursue formal independence, Beijing will not use force. If Beijing's leaders truly prefer peaceful unification with Taiwan, as they continue to claim, they should keep the door open to precisely that outcome.

For its part, Taiwan must accompany needed measures to bolster its defense with credible assurances to Beijing that as long as the Chinese military refrains from attacking Taiwan, Taipei will not pursue independence or permanent separation. Taiwan should refrain from potentially provocative actions, such as holding a referendum to change its official name, the Republic of China, or revising its territorial claims to exclude mainland China—changes that would indicate a declaration of formal independence. Regardless of who is elected Taiwan's next president, Taipei will need to convincingly reassure Beijing that it has no intention of fundamentally altering the status quo. But the

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Washington's  
actions and  
rhetoric have raised  
fears in Beijing.



need for such guarantees will grow in the event of the victory of Lai, the DPP candidate; Chinese officials deeply mistrust him since he has endorsed the pursuit of formal independence for Taiwan in the past. The pledge that Lai made, in an October 2023 speech in Taipei at a dinner attended by nearly 100 foreign dignitaries and guests, to maintain Tsai's cross-strait policy, with its emphasis on refusing both to bow to Chinese pressure and to provoke Beijing, is a good start. If elected, Lai could use his inaugural address to reaffirm the commitments Tsai made in her inaugural speech in 2016 to conduct cross-strait affairs in accordance with the Republic of China's constitution and the 1992 act governing relations between the two sides of the strait, Taipei's law on how the island should manage relations with Beijing.

As Taiwan strengthens its military deterrent—including by increasing its ability to withstand a blockade and to defeat an invading Chinese force—it must also implement additional measures to reinforce the credibility of its assurances. In August, Lai took a step in the right direction when he made his stance on the naming question clear: “President Tsai has used the term Republic of China (Taiwan) to describe our country. I will continue to do so in the future.” This and other statements provide China with rhetorical assurance, but because his party's 1991 charter still calls for the creation of a “Republic of Taiwan” and a new constitution, doubts persist in Beijing about his willingness to hold to this position as president. If he wins the election, Lai should consider revisiting a proposal made by DPP legislators in 2014 to suspend the independence clause in the 1991 party charter, a nonbinding and reversible step that would give any rhetorical commitment to the status quo more weight and credibility. Such a step could also be part of a gradual, reciprocal process to reduce tensions and build trust, as advocated by Richard Bush, the former chairman of the American Institute in Taiwan.

Just as the United States must not rule out the possibility of an eventual peaceful integration of the two sides of the strait (as long as such a move has the assent of the people of Taiwan), Taipei should also not take actions that would permanently foreclose that outcome. To deter war, Taiwan must allow leaders in Beijing to believe that peaceful unification remains possible.

#### DISCRETION AND DISCIPLINE

As the third party to this dispute, the United States must also think carefully about its mix of threats and assurances. Its priority is to prevent the Chinese military from attacking Taiwan, but deterrence will



not work if Beijing does not believe U.S. assurances. For instance, it is in the United States' interest for China to remain hopeful that sometime in the future it might be able to resolve its differences with Taiwan without resorting to violence. China would have to persuade Taiwan's public of the merits of some form of peaceful integration—a hard sell, but not impossible given China's economic clout and the possibility that a more attractive government may someday emerge in Beijing. To the extent that Washington can influence Chinese President Xi Jinping's thinking on this crucial issue, it should do so; the United States should avoid making statements or taking actions that could lead Beijing to conclude that unification can only be achieved through force.

Consistent with its “one China” policy of not supporting an independent Taiwan or seeking to restore a formal alliance with Taipei, the U.S. government should not use in its official communications symbols of Taiwan's sovereignty, such as the flag of the Republic of China, or refer to Taiwan as either a country or an ally, as the Trump administration did in a 2019 Defense Department report. If U.S. officials do so inadvertently, such as when U.S. Secretary of State Antony Blinken referred to Taiwan as a country on two occasions in 2021, a correction should be swiftly issued. An example of the laudable handling of such a blunder was the White House's admission that it made an “honest mistake” after including the image of the Republic of China flag in a tweet about the United States supplying COVID-19 vaccines to Taiwan that same year. And since Beijing fears that Taiwan may merely be a pawn in a wider American game of containment, U.S. officials should not imply that Taiwan is a strategic asset essential to U.S. national security.

The Biden administration insists that it has made no changes to the “one China” policy. But Biden's remarks have repeatedly broken with strategic ambiguity and mischaracterized U.S. policy. During an August 2021 interview with ABC News, Biden stated, incorrectly, that the United States has a treaty commitment to defend Taiwan, comparing the U.S. “sacred commitment” to the pledges it has made to Japan and South Korea. In the most egregious misstatement of U.S. policy on Taiwan to date, Biden told reporters in November 2021 that Taiwan “is independent” and “makes its own decisions,” a description that contravenes long-standing U.S. policy that does not recognize Taiwan as an independent, sovereign state.

These statements do far more to undermine deterrence than they do to bolster it. Beijing has long anticipated that Washington will



intervene if China tries to force unification. The Taiwan Relations Act, a law Congress passed in 1979 to define the now informal relations between Washington and Taipei after the normalization of relations between Washington and Beijing, states that “any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes,” would be considered a “threat to the peace and security of the Western Pacific area and of grave concern to the United States.”

The U.S. commitment to Taiwan does not need further clarification or beefing up, and certainly no U.S. official should invoke or even suggest anything akin to a restoration of a formal alliance. Such an unqualified commitment to Taiwan could be seen on both sides of the strait as a green light for more strident pro-independence voices in Taiwan to pursue a formal separation from China.

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Failure to provide Beijing the right assurances will make China harder to deter.

The U.S. government should provide a comprehensive and high-level statement laying out its “one China” policy and explaining why Taiwan matters to the United States in language that is comprehensible to the American people, beyond the rote repetition of the U.S. “one China” policy as comprising the Taiwan Relations Act; the three U.S.-China joint communiques in 1972, 1979, and 1982; and the Six Assurances that the Reagan administration gave to Taipei in 1982. A more complete statement, such as a speech by the national security adviser or the secretary of state, should restate the positions that Biden has reportedly made clear to Xi, including that the United States does not support Taiwan’s independence, opposes any unilateral change to the status quo by either side, does not pursue a “two Chinas” or “one China, one Taiwan” policy, and does not seek to use Taiwan as part of a strategy to contain China or embolden Taipei to push for independence. Such a statement should include the assurance provided by prior administrations that the United States will accept any outcome reached peacefully by both sides and that has the assent of the people of Taiwan.

Until recently, no Biden administration official had publicly called for the resumption of cross-strait dialogue to reduce misunderstandings and manage problems, a position that was central to U.S. policy before the Trump administration. It is welcome that American Institute in Taiwan Chair Laura Rosenberger, in a roundtable with the media in Taipei in October 2023, said that the United States supports cross-strait dialogue



and called on Beijing to start a dialogue with Taiwan. Even though Beijing is responsible for the breakdown of cross-strait dialogue, the failure of the United States to encourage a return to talks has been interpreted by Beijing as further evidence that Washington does not want the two sides of the strait to settle their disputes. If Beijing believes that Washington does not truly want cross-strait tensions to be resolved, it will be much harder for the United States to deter an attack on Taiwan.

U.S. officials should also work to ensure that Taiwan does not upset the status quo. Taiwan has laudably begun to strengthen its defenses under Tsai, but her administration has also tactfully refrained from pushing pro-independence initiatives. That marks a departure from her DPP predecessor as president, Chen Shui-bian, who held a referendum in 2008 on pursuing membership in the United Nations under the name Taiwan, rather than the Republic of China, which was rightly interpreted by both Beijing and Washington as a ploy to promote independence. Since the UN is an international institution for which statehood is a requirement for membership, to apply under the name Taiwan instead of the Republic of China would assert the full sovereign separation of the island. If a future government of Taiwan or key political figures appear to be promoting such a change in the status quo, U.S. officials should voice concerns in private, in public, or both. The United States should never coordinate its Taiwan policy with Beijing, but if a rebuke to Taiwan about unilateral efforts to assert independence is delivered only privately, Washington should inform Beijing of that admonition through diplomatic channels so that American assurances remain credible.

The United States could be more transparent about the parameters of its “unofficial relationship” with Taipei, including self-imposed limits on visits to Taiwan by the U.S. president, vice president, secretary of state, and secretary of defense. Taiwan’s president and vice president have long been permitted to make transit visits through the United States en route to other countries, but they do not visit Washington. Such transits are private, unofficial, and arranged for the “safety, comfort, convenience, and dignity of the traveler,” according to the U.S. State Department. As such, these transits should not be occasions for large-scale, public, politically charged events. Following this precedent and acting consistently will make more believable the U.S. position that the United States is not treating Taiwan as it would a sovereign, independent state.

U.S. officials, including members of Congress, should refrain from making statements that are inconsistent with the Taiwan Relations Act.



Resolutions calling for the United States to recognize Taiwan as an independent sovereign state or provide an unconditional defense commitment ironically weaken deterrence by suggesting Washington intends to restore the alliance with Taipei that it abrogated in 1979. Legislation should focus on helping Taiwan defend itself and on bolstering U.S. military capabilities in East Asia in ways that are consistent with the Taiwan Relations Act, while avoiding symbolic actions that do nothing to strengthen Taiwan or U.S. forces but could undermine the credibility of U.S. assurances to China.

Just as the executive branch does not send the holders of the top four positions in the U.S. government to Taiwan, similarly, as a matter of policy, Congress should not send to Taiwan the president of the Senate (who is also the vice president of the United States), the Senate president pro tempore, or the Speaker of the House. There are sufficient informal channels for these officials to give and receive messages from Taiwan and to support Taiwan without providing a convenient occasion for Beijing to ratchet up military pressure while blaming Washington and Taipei for sparking tensions. Such expressions of U.S. support for Taiwan are counterproductive as they only make the island less secure.

#### TRUE DETERRENCE

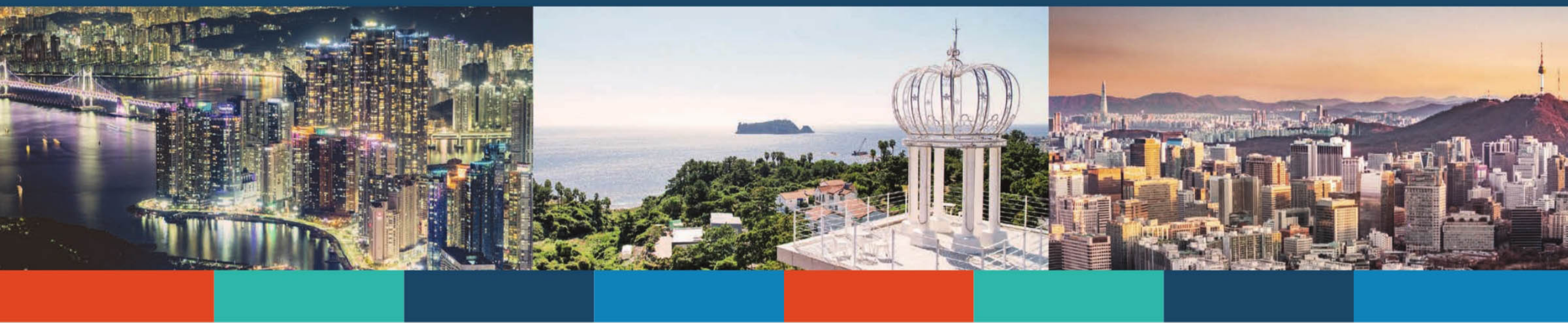
Some policymakers and analysts make the mistake of conflating assurances with appeasement or outright capitulation. This is wrong-headed. Alongside credible threats, credible assurances are an integral part of deterrence. Given the dramatic ongoing modernization of the Chinese military and China's increasing assertiveness, the United States needs to strengthen its military posture in East Asia and assist in improving Taiwan's defensive capabilities and helping the island withstand a potential blockade. The United States will need cooperation from regional allies to make necessary adjustments in its military posture. But failure to provide assurances to Beijing about the purpose of such adjustments will reduce the likelihood of allied cooperation—and make China harder to deter.

Many might argue that assurances would signal weakness and invite Chinese aggression. On the contrary, these assurances would help strengthen a deterrence strategy that includes reinforcing the U.S. military presence in East Asia and hardening Taiwan's defense. It is precisely because tough measures are needed that it is imperative that Washington and Taipei accompany them with productive diplomatic ones, assuring Beijing that it will not be punished if it forgoes the use of force. 🌐



# SOUTH KOREA

A model for the world



## Growing from strength to strength

**“In just seven decades since the Korean War, Korea transformed itself from an impoverished, war-torn nation into a major global player, an economic and technological powerhouse, and a soft power magnet,” Minister of Foreign Affairs Park Jin.**

The minister’s words echo an oft-repeated narrative of how the Asian nation, with the support of a disciplined and cooperative citizenry, overcame overwhelming odds to become an inspiration for other countries facing similar challenges.

Playing an important role in South Korea’s success story is a 70-year-old partnership with the United States, which has contributed to the peace and stability of the region. Beyond that, the country has built a self-reliant, export economy that includes manufacturing, high-technology logistics, and tourism.

### A tourist magnet

For more than a decade now, South Korea has climbed the ranking of the world’s most popular destinations, thanks in part to the breakout of its creative industries. The immense popularity of K-pop groups, like BTS, and the success of the Oscar-winning film “Parasite” cemented the country’s reputation as a leading soft power.

In the World Economic Forum’s Travel & Tourism Development Index 2021, South Korea moved up four

places to No. 15 in its overall rankings from the previous year, which marked its biggest leap and highest ranking since the classification started in 2008.

As the nation’s capital, Seoul remains the most popular destination for international tourists. And with its centuries-old history, the city captivates visitors with ancient palaces and modern skyscrapers.

“We’re working on making Seoul as dynamic as we can. As you know, Korean culture is beloved by the world,” said **Seoul Tourism Organization President and CEO Kil Ki-Yon.**

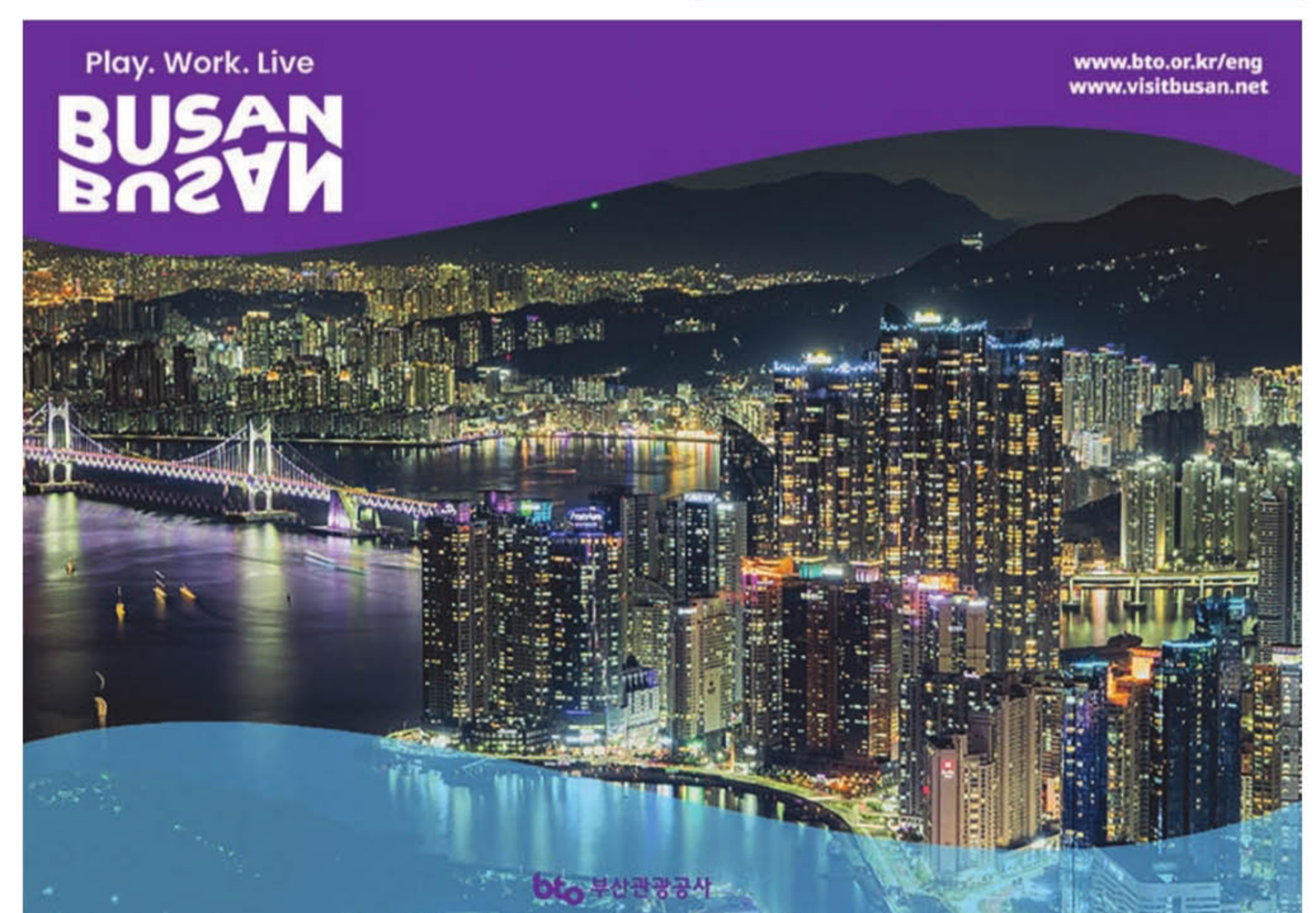
To the south, Busan is moving away from its reputation as the port city that contributed to the economic growth of South Korea and hopes to draw more foreign visitors by promoting its pristine beaches, bustling food markets and rich maritime history. Tourism officials want to ensure that there is something for everyone.

“We are pursuing a tailored marketing strategy to target separate segments. We are doing road shows to raise awareness. We are also developing and promoting high value-added tourist products,” explained **Busan Tourism Organization CEO and President Lee Jung-Sil.**

The island of Jeju, at the southern tip of the country, has become a favorite location for numerous popular K-dramas and films, thanks to its diverse landscape and natural beauty. This has led to the flourishing of international tourism in the region.

“We understand the needs and challenges faced by overseas visitors exploring exotic cultures in Jeju, South Korea. Our role is to ensure their trip is as pleasant and

**CONTINUED ON NEXT PAGE**





comfortable as possible. Our goal is to become a household name for international travelers coming to Jeju, South Korea with the help of a dedicated team who share the same vision to offer a haven for friends and families, as well as those in search of love and leisure.” said **GoldOne Jeju CEO Kim Jee-Young**.

### Bridging cultural divides through local expertise

As a leading business center offering many investment opportunities, South Korea attracts a lot of foreign businesses and multinational companies. To help them navigate an unfamiliar legal landscape, local law firms provide their thorough expertise and comprehensive services, like **Kim & Chang** and **Yulchon LLC**.

“Kim & Chang has extensive experience in collaborating with international law firms, financial institutions and global corporations. We specialize in offering integrated legal solutions tailored to local business practices, culture, and regional nuances,” said **Kim & Chang Managing Partner Chung Kye-Sung**.

“Our professionals, who are licensed in various jurisdictions including Korea and the United States, possess a deep understanding of complex international business environments and provide effective solutions for our clients, including those who are venturing into new markets,” added Chung.

On the impact of the Korea-US Free Trade Agreement, which came into effect in 2012, Chung expressed the law firm’s commitment to maximize the benefits of the FTA in alignment with the economic cooperation goals.

Meanwhile, **Yulchon LLC Managing Partner Yoon Hee-Woong** stressed the law firm’s commitment to efficiency and cost-effectiveness, as well as the importance of

forming partnerships with U.S. counterparts to nurture an understanding of cultural nuances.

“South Korean law firms have evolved into dynamic entities, adept at navigating the complexities of the global market. Their ability to bridge cultural divides, offer innovative solutions, and adapt to changing economic landscapes underscores their pivotal role in shaping the future of international legal practices,” Yoon said.

“As South Korea continues to foster collaborations and investments on a global scale, we stand as pillars of support, ensuring that businesses thrive in an increasingly interconnected world,” he added.

### Sticking to the basics

To maintain its economic strength, South Korea has not ignored the importance of other sectors that make valuable contributions to the economy and the sustainable development of the country, like exports, education, and green technology.

“The economic zones, such as Yeongcheon High-Tech Park District and Pohang Fusion Tech District, serve as vital steps in promoting investment and innovation. These zones, as well as the expansion of the other districts beside them, create job opportunities and nurture technological advancements, which contribute significantly to the development of the region,” said **Daegu-Gyeongbuk Free Economic Zone Authority Commissioner Kim Byeong-Sam**.

On the other hand, like many developed societies, South Korea would not have achieved its economic miracle without its top education system. Over the decades, its schools and universities have looked outwards to adapt to an increasingly globalized world.

“Educational institutions must evolve to provide students with the knowledge and skills needed in a rapidly changing global landscape. Institutions like aSSIST University, although smaller, have adeptly utilized a first-mover strategy emphasizing globalization. This approach has significantly propelled their rapid growth, especially amidst the unpredictable international landscape,” said **aSSIST University President Moon Hwyo-Chang, Ph.D.**

“Moreover, the emphasis on global collaboration and the internationalization of students help build bridges between Korea and the world, which fosters cultural exchange and prepares students for a globalized workforce,” Moon added.

Among the biggest challenges brought about by rapid economic growth is the protection of the environment and sustainable development.

Backed by the technological innovation developed in the country, **Nature and Environment Inc.** provides services in environmental ecological restoration; environmental plant, soil & groundwater remediation, water treatment, and modular construction, among others.

**Nature and Environment Inc. CEO Lee Byung-yong** said, “Our commitment to extending the lifespan of the earth’s ecosystem is a forward-thinking approach to



**Kim & Chang Managing Partner Chung Kye-Sung**





environmental conservation. Providing comprehensive environmental services, from planning to maintenance, we contribute to preserving the planet for future generations.”

None of South Korea’s economic industries and sectors would have thrived without the holistic vision and full support of the government, which realizes the significance of international partnerships and technological innovation to secure its long-term development.

“Collaboration between our two nations (the United States and South Korea) extends to diverse areas that include decarbonization, digitalization, and investments in port infrastructure. The establishment of green shipping corridors between Busan Port and the Seattle-Tacoma ports signifies a commitment to environmentally sustainable practices in the maritime sector,” said **Minister of Oceans and Fisheries Cho Seung-Hwan**.

**AMCHAM Korea Chairman and CEO James Kim** echoed the minister’s thoughts: “I hope we can see more of what Korea can do and how we can be even more powerful together.”

“In the transportation sector, South Korea is leveraging its advanced technological capabilities to develop next-generation vehicles and enhance logistics infrastructure,” he added.

Meanwhile, the Ministry of Land, Infrastructure and Transport remains committed to supporting the development of the country’s logistics industry, aware that the sector is an important contributor to the development of the economy.

“The Ministry of Land, Infrastructure and Transport has been at the forefront of driving the global advancement of the logistics industry. Our efforts to internationalize the logistics sector have not only bolstered Korea’s economic growth but have also positioned the nation as a leader in the global arena,” said **Vice Minister Baek Won-kug**.

If there is one thing that guarantees South Korea’s future success, it is the strong workforce, the same foundation that propelled it from a war-torn country to an economic powerhouse.

“We have a good infrastructure to attract foreign direct investment. But we also offer something more attractive – talent. The percentage of college education or higher education is the highest in the world right now,” said **Invest Korea Commissioner Kim Tae-Hyung**.

“We’ve also witnessed how Korean talent has no fear of trying new things, ideas, techniques and products at very early stages. So, we learn to adapt quickly, fail and learn quickly, adjust, and move to the next level. Everything takes place at breakneck speed,” Kim added.

As the country’s leading diplomat, Minister Park is deeply proud of South Korea’s trajectory, believing it serves as a model for many less developed countries to follow.

“Korea is now ready to assume greater roles and responsibilities that are commensurate with its stature and international expectations by strengthening our partnership with the G7,” the minister said. ■



**Yulchon LLC Managing Partner Yoon Hee-Woong**

## Yulchon LLC: Navigating global challenges through collaboration

In an era when most businesses have become transnational, Seoul-based law firm **Yulchon LLC** has carved a good field by connecting its local and international clients through close collaboration.

“Our law firm was established in 1997 and celebrated its 25th anniversary last year. We may not be the oldest firm (in South Korea), but we are one of the fastest-growing ones,” said **Managing Partner Yoon Hee-Woong**.

One of Yulchon’s standout initiatives was setting up an IRA-CHIPS Act Center after the United States passed the Inflation Reduction Act and the CHIPS and Science Act in 2022.

The center, a “one-stop shop” led by specialists in taxation, intellectual property, energy, environment, social and governance issues, assists Korean companies in navigating new territory in U.S. business created by the two laws.

“Instead of opening our own offices abroad, we collaborate with global and local law firms. We believe this approach is faster and more efficient in serving the various needs of our clients, leveraging the existing expertise and networks of these firms,” Yoon said.

By covering new, emerging industries, Yulchon LLC helps its clients thrive in a rapidly evolving global landscape. Its IRA-CHIPS Act Center is reflective of a firm commitment to stay on top of the industry. ■

<https://www.yulchon.com/en/main/main.do>

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**Korea’s  
Premier  
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Passion for Excellence  
Delivering Change  
Global Reach



# The Big One

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## Preparing for a Long War With China

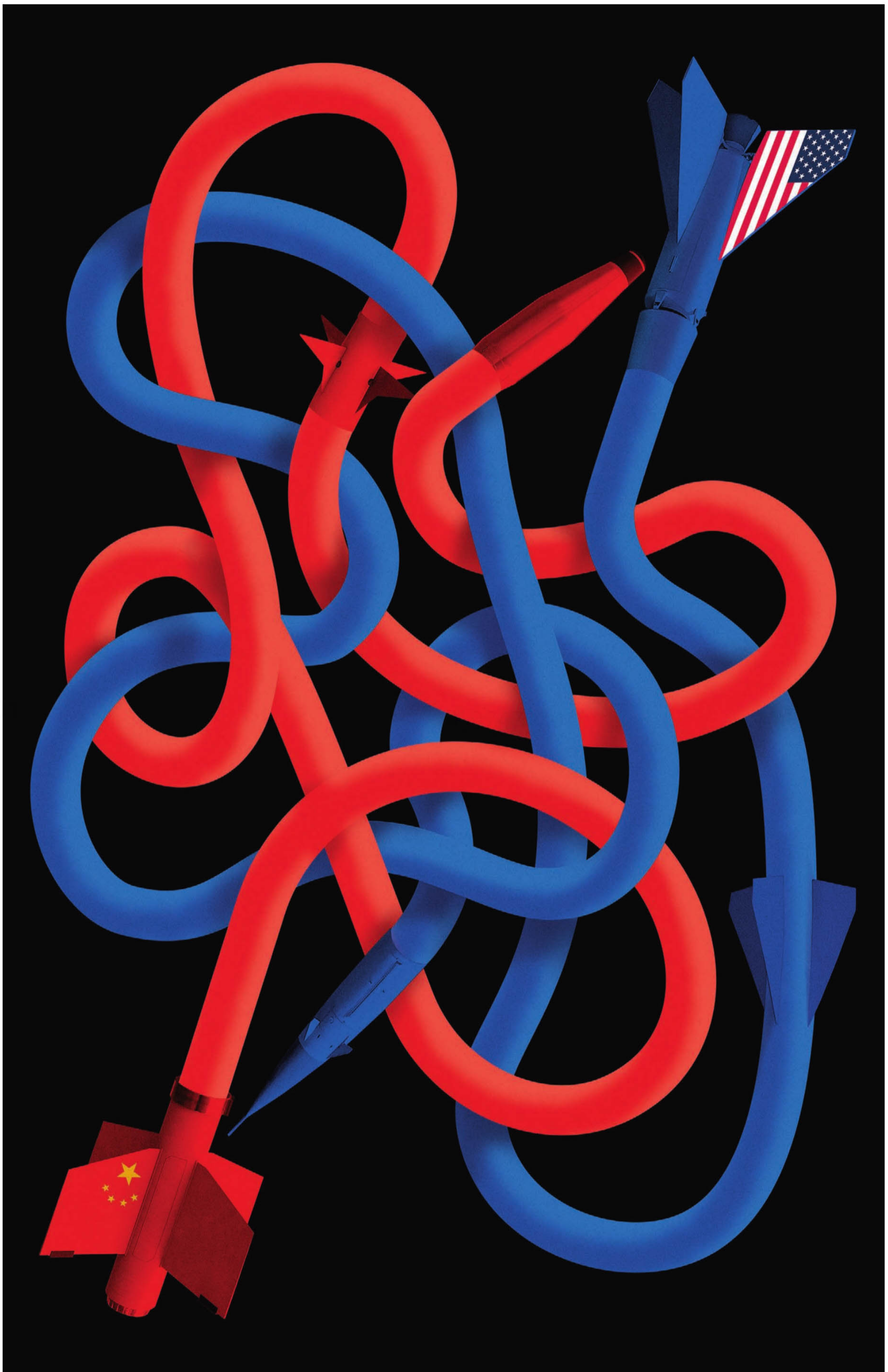
ANDREW F. KREPINEVICH, JR.

Over the past decade, the prospect of Chinese military aggression in the Indo-Pacific has moved from the realm of the hypothetical to the war rooms of U.S. defense planners. Chinese leader Xi Jinping has significantly accelerated his country's military buildup, now in its third decade. At the same time, China has become increasingly assertive across a wide swath of the Pacific, advancing its expansionist maritime claims and encroaching on the waters of key U.S. allies and important security partners, including Japan, the Philippines, and Taiwan. Xi has asserted, with growing frequency, that Taiwan must be reunited with China, and he has refused to renounce the use of force to achieve that end. With the United States distracted by major wars in Europe and the Middle East, some in Washington fear that Beijing may see an opportunity

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to realize some of these revisionist ambitions by launching a military operation before the West can react.

With Taiwan as the assumed flash point, U.S. strategists have offered several theories about how such an attack might play out. First is a “fait accompli” conquest of Taiwan by China, in which the People’s Liberation Army employs missiles and airstrikes against Taiwanese and nearby U.S. forces while jamming signals and communications and using cyberattacks to fracture their ability to coordinate the island’s defenses. If successful, these and other supporting actions could enable Chinese forces to quickly seize control. A second path envisions a U.S.-led coalition beating back China’s initial assault on the island. This rosy scenario finds the coalition employing mines, antiship cruise missiles, submarines, and underwater drones to deny the PLA control of the surrounding waters, which China would need in order to mount a successful invasion. Meanwhile, coalition air and missile defense forces would prevent China from providing the air cover needed to support the PLA’s assault, and electronic warfare and cyber-forces would frustrate the PLA’s efforts to control communications in and around the battlefield. In a best-case outcome, these strong defenses would cause China to cease its attack and seek peace.

Given that both China and the United States possess nuclear arsenals, however, many strategists are concerned about a third, more catastrophic outcome. They see a direct war between the two great powers leading to uncontrolled escalation. In this version of events, following an initial attack or outbreak of armed conflict, one or both belligerents would seek to gain a decisive advantage or prevent a severe setback by using major or overwhelming force. Even if this move were conventional, it could provoke the adversary to employ nuclear weapons, thereby triggering Armageddon. Each of these scenarios is plausible and should be taken seriously by U.S. policymakers.

Yet there is also a very different possibility, one that is not merely plausible but perhaps likely: a protracted conventional war between China and a U.S.-led coalition. Although such a conflict would be less devastating than nuclear war, it could exact enormous costs on both sides. It also could play out over a very wide geographic expanse and involve kinds of warfare with which the belligerents have little experience. For the United States and its democratic allies and partners, a long war with China would likely pose the decisive military test of our time.



BATTLES WITHOUT BOMBS

A military confrontation between China and the United States would be the first great-power war since World War II and the first ever between two great nuclear powers. Given the concentration of economic might and cutting-edge technological prowess in Japan, South Korea, and Taiwan—all three advanced democracies that are either close allies or partners of the United States—such a war would be fought for very high stakes. Once the fighting had started, it would likely be very difficult for either side to back down. Yet it is far from clear that the conflict would lead to nuclear escalation.

As was the case with the Soviet Union and the United States in the late twentieth century, both China and the United States possess the ability to destroy the other as a functioning society in a matter of hours. But they can do so only by running a high risk of incurring their own destruction by provoking a nuclear counterattack, or second strike. This condition is known as “mutually assured destruction,” or MAD. During the Cold War, the fear of setting off a general nuclear exchange provided Moscow and Washington with a strong incentive to avoid any direct military confrontation.

Of course, Beijing’s nuclear balance of power with Washington is significantly different from that of Moscow during the Cold War, when the United States and the Soviet Union achieved a rough parity in forces. China’s nuclear arsenal is a fraction of the size of the United States’, although Beijing is pursuing a dramatic expansion with the goal of matching the U.S. strategic arsenal within the next decade. Nevertheless, even now the Chinese arsenal is large enough that if China were attacked, it would have sufficient nuclear forces left to execute a retaliatory strike on the United States—thus bringing about MAD.

Yet there is strong ground for thinking that a U.S.-Chinese war would not go nuclear. In more than seven decades of conflicts since World War II, including many involving at least one nuclear power, nuclear weapons have been notable chiefly for their absence. During the Cold War, for example, the two nuclear superpowers engaged in proxy wars in Africa, Asia, and Latin America that remained conventional—despite incurring high human and military costs on both sides. Even in wars in which only one side possessed nuclear weapons, that side refrained from exploiting its advantage. The United States fought bloody and protracted wars in Korea and Vietnam and



yet abstained from playing its nuclear trump card. Similarly, Israel refrained from employing nuclear weapons against Egypt or Syria, even in the darkest hours of the 1973 Yom Kippur War. The same has been true thus far of Russia in its war with Ukraine, even though that conflict is now approaching the end of a second year of fierce fighting and has already exacted from Russia an enormous price in blood and treasure.

This nuclear restraint should not be surprising. During the Cold War, the possibility of a nonnuclear conflict played a significant part in strategic planning on both sides. Thus, U.S. and Soviet thinking addressed not only the threat of nuclear escalation but also the prospect of a prolonged conventional war. To prepare for that kind of war—and thus dissuade the other side from believing it could win such a conflict—each superpower stockpiled large quantities of surplus military equipment as well as key raw materials. The United States maintained an aircraft “boneyard” and maritime “mothball fleet”—large reserves of retired planes and ships that could be mobilized and brought into service as needed. For their part, the Soviets amassed enormous quantities of spare munitions, along with thousands of tanks, planes, air defense systems, and other weapons to support extended combat operations. A working assumption of these preparations on both sides was that a war could unfold over an extended period without necessarily triggering Armageddon.

In the event of armed conflict between China and a U.S.-led coalition, a similar dynamic could play out again: both sides would have a strong interest in avoiding uncontrolled escalation and could seek ways to fight by other means. Simply put, the logic of mutually assured destruction would not end at the onset of hostilities but could deter the use of nuclear weapons during the war. Given this reality, it is crucial to understand what a twenty-first-century great-power conflict might look like and how it might evolve.

#### REASONS TO FIGHT

There are many ways that a war between China and the United States could start. Given China’s ambition to dominate the Indo-Pacific, such a war would very likely involve the so-called first island chain, the long arc of Pacific archipelagoes extending from the Kuril Islands north of Japan, down the Ryukyu Islands, through Taiwan, the Philippines, and parts of Indonesia. As many in Washington have argued, Taiwan is



the most obvious target, given the island's strategic location between Japan and the Philippines, its key role in the global economy, and its status as the principal object of Beijing's expansionist aims. China's military has been increasingly active in the Taiwan Strait, and the PLA has massed its greatest concentration of forces across from the island. In the event of a Chinese attack on Taiwan, the United States would be compelled to defend the island or risk having key neutral countries and even allies drift toward an accommodation with Beijing.

Yet the Taiwan Strait is not the only place a war could begin. China has continued its incursions into Japan's airspace and its provocative actions in the exclusive economic zones of the Philippines and Vietnam, raising the possibility of a war-provoking incident. Moreover, tensions between North Korea and South Korea remain high. If fighting broke out on the Korean Peninsula, the United States might dispatch reinforcements there, causing Beijing to see an opportunity to settle scores at other points along the first island chain.

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A U.S.-Chinese war would be the first between great nuclear powers.

Or a war with China could start in South Asia. Over the past decade, China has clashed with India along their shared border on several occasions. Despite lacking a formal alliance with the United States, India is a member of the Quad (Quadrilateral Security Dialogue), the security grouping that also includes Australia, Japan, and the United States and that has stepped up joint military cooperation over the past few years. If India were to become the victim of more significant Chinese aggression, Washington would have a strong interest in defending a major military power and partner that is also the world's largest democracy.

In short, if war breaks out in any of these places, it could draw China and the United States into direct armed conflict. And if that happens, it would be unlikely to end quickly. Take the case of Taiwan. Although it is possible that China could either achieve a rapid conquest before the United States could respond or be stopped cold by a U.S.-led coalition, these outcomes are hardly assured. As Russia discovered in Ukraine in 2022, rapid subjugation, even of an ostensibly weaker power, can be harder than it looks.

But even if Washington and its partners are able to prevent the PLA from seizing Taiwan through a *fait accompli*, Beijing still might



## STORM FRONTS

### The first and second island chains



Source: Krepinevich, *Archipelagic Defense 2.0*, Hudson Institute.

be unwilling to accept defeat. And like the United States, it would possess the means to continue fighting. Given the high stakes, neither side can be counted on to throw in the towel, even if it suffers severe initial reverses. And at that point, the course of events would be determined not only by the intentions of the two great powers themselves but also by the responses of other countries in the region.

In contrast to the Cold War, in which the two superpowers were each supported by rigid alliances—the U.S.-led NATO and the Soviet Union's Warsaw Pact—the current situation in the Indo-Pacific is a geopolitical jumble. China has no formal alliances, although it enjoys close relationships with North Korea, Pakistan, and Russia. For its part, the United States has a set of bilateral alliances and partnerships in the region based on hub-and-spoke relationships, with Washington



as the hub and Australia, Japan, the Philippines, South Korea, Taiwan, and Thailand forming the spokes. Yet unlike the members of NATO, which are obligated to view an attack on one as an attack on all, these Asian allies have no shared defense commitment.

In the event of Chinese aggression in the Indo-Pacific, then, the responses of U.S. partners in the region are less than certain. It is reasonable to assume that Australia and Japan would join the United States in coming to the victim's defense, given their close alliance with the United States, their ability to project significant military power abroad, and strong interest in preserving a free and open Indo-Pacific community of nations. But other powerful countries could influence the war's character—arguably, the two most important being India (on the side of the United States) and Russia (on the side of China). Just as the local Asian and European wars in the late 1930s expanded to become a global war, so might a war with China overlap with the war in Ukraine or a conflict in South Asia or fighting in the Middle East.

What happens in the early stages of the war could also determine the constellation of powers on each side. The party that is judged to be the aggressor could alienate fence sitters that view the war from a moral perspective. States with more of a realpolitik view, on the other hand, might ally themselves with whichever side achieves early success (as Italy did in World War II), or they may decide against joining their natural partners should those partners suffer significant setbacks. Following Ukraine's successful initial defense against Russia's invasion in the spring of 2022, many countries in the West, including historically neutral countries such as Finland and Sweden, rallied to Kyiv's support. Similarly, if China were unable to quickly secure its objectives, traditionally neutral countries such as Indonesia, Singapore, and Vietnam might join efforts to resist Beijing's aggression.

#### RESTRAINING ORDERS

Once a war has broken out, both China and the United States would have to confront the dangers posed by their nuclear arsenals. As in peacetime, the two sides would retain a strong interest in avoiding catastrophic escalation. Even so, in the heat of war, such a possibility cannot be eliminated. Both would confront the challenge of finding the sweet spot in which they could employ force to gain an advantage without causing total war. Consequently, leaders of both great powers would need to exercise a high degree of self-control.



To keep the war limited, both Washington and Beijing would need to recognize each other's redlines—specific actions viewed as escalatory and that could trigger counterescalations. Efforts toward this end can be enhanced if both sides can clearly and credibly communicate what their redlines are and the consequences that would be incurred for crossing them. Even here, problems will arise, as the dynamics of war may alter these thresholds. For example, if the PLA proves effective at using conventionally armed ballistic mis-

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In a war, both sides would have a strong interest in avoiding escalation.

siles to attack U.S. air bases in the region, Washington could decide to strike Chinese missile sites, even at the risk of hitting nuclear-armed PLA missiles kept at the same location. Moreover, individual coalition members will likely have their own, unique redlines. Consider a situation in which PLA air and sea attacks on major Japanese ports threaten to collapse Japan's economy or cut

off its food supplies. Under these circumstances, Tokyo may be far more willing to escalate the war than its coalition partners. If Japan has the means to escalate, it could do so unilaterally. If it lacks them and Washington refuses to escalate on its behalf, Tokyo might decide to seek a separate peace with Beijing. To avoid this predicament, the coalition could pre-position air and missile defenses, as well as countermine forces, at Japanese ports, and Japan could stockpile crucial imported goods, such as food and fuel.

Nevertheless, previous wars suggest that belligerents have often been able to limit their warfighting methods to prevent unnecessary escalation. Following China's intervention in the Korean War, for example, U.S. forces had the capability to conduct airstrikes across the border in Manchuria, which served as a staging ground for Chinese forces threatening to overwhelm U.S. troops on the peninsula. But U.S. President Harry Truman turned down requests to attack these targets in order to avoid triggering a wider war with the Soviet Union. Similarly, in Vietnam, U.S. leaders declared North Vietnam's main port of Haiphong off-limits to U.S. forces, despite its strategic importance. As was the case with Korea, it was feared such attacks could spark a wider conflict with China or the Soviet Union. In both cases, this restraint was maintained even amid wars that cost tens of thousands of American lives.



Given the potential for uncontrollable nuclear escalation, it is not unreasonable to assume that both China and the United States would err on the side of caution when considering how and where to intensify military operations. But the imperative on both sides to avoid nuclear escalation would not only create parameters for the objectives sought and the means employed to achieve them. It would also set the stage for a conflict that could likely be prolonged since both sides would have very significant resources to draw on to keep fighting. In this way, the war's containment in one respect would also facilitate its broadening in others.

#### A WAR OF WILLS

What strategy might a U.S.-led coalition pursue in a limited but extended war with China? Broadly speaking, there are three general strategies of war: annihilation, attrition, and exhaustion. They can be pursued individually or in combination. An annihilation strategy emphasizes using a single event or a rapid series of actions to collapse an enemy's ability or will to fight, such as occurred with Germany's six-week blitzkrieg campaign against France in 1940. By contrast, an attrition strategy seeks to reduce an enemy's war-making potential by wearing down its military forces over an extended period to the point that they can no longer mount an effective resistance. This was the primary strategy the Allies employed against the Axis powers in World War II. An exhaustion strategy, finally, seeks to deplete the enemy's forces indirectly, such as by denying it access to vital resources through blockades, degrading key transportation infrastructure, or destroying key industrial facilities. A classic example of this was the U.S. Civil War.

Early in that conflict, both the Union North and the Confederate South hoped that a strategy of annihilation would succeed, such as by winning a decisive battle or seizing the enemy's capital. These hopes proved ill founded, and over time the Confederacy adopted an exhaustion strategy, hoping to extend the war to the point that its adversary's will to persevere would run out, despite the Union's far greater military power. In turn, relying on its advantages in manpower, industrial might, and military capabilities, the North combined an attrition strategy with an exhaustion one. It sought to reduce the Confederacy's armies directly through attrition by persistent military battles and indirectly by blockading Confederate ports and destroying the South's arsenals and transportation infrastructure. In this way, the



Union deprived the Confederacy of the resources and recruits needed to offset its combat losses while convincing Southerners that they could not achieve their goal of secession.

In a war between China and the United States, the strategy of annihilation carries unsustainable risks. Because both sides have nuclear weapons, an annihilation strategy based on an overwhelming military attack to destroy the enemy's ability to resist could easily become a mutual suicide pact. That risk would also hobble efforts by either side to pursue an attrition strategy, which could similarly lead to nuclear escalation. Both belligerents would thus have an incentive to pursue strategies of exhaustion, supported when possible by attrition, to erode the enemy's means and, perhaps more important, its will to continue fighting. Such an approach would seek to inflict maximum pressure and damage on the enemy without risking escalation to total war.

In shaping these strategies, China and the United States would need to consider carefully where they choose to fight. For example, to avoid crossing redlines, the two sides might accord each other's homelands (including their respective airspaces) limited sanctuary status. Instead, they might seek horizontal, or geographic, escalation. Thus, the conflict could spread to areas beyond the first island chain or South Asia to locations where both China and the United States could project military power, such as in the Horn of Africa and the South Pacific. The war would also likely migrate to those domains that are less likely to pose immediate escalation risks. Warfighting in domains associated with the global commons, for example, might be considered fair game by both sides. These could include maritime operations (including on the sea's surface, under the sea, and on the seabed), as well as war in space and cyberspace. Both sides might also wage war more aggressively on and above the territories of minor powers allied with China or the United States, such as the Philippines and Taiwan.

In the war's early phases, military targets might well have priority for both sides as the PLA attempts to win a quick victory while the U.S. coalition focuses on mounting a successful defense. If so, economic targets like commercial ports, cargo ships, and undersea oil and gas infrastructure would initially be accorded lower priority. As the war becomes protracted, however, each side would increasingly seek to exhaust the other's war-making potential through economic and



information warfare. Actions toward this end might involve blockades of enemy ports and commerce-raiding operations against an enemy's cargo ships and undersea infrastructure. One side could impose information blockades on the other by cutting undersea data cables and interrupting satellite communications, or it could use cyberattacks to destroy or corrupt data central to the effective operation of the adversary's critical infrastructure.

Another way the belligerents could keep the war limited would be to restrict the means of attack used. Attacks whose effects are relatively easy to reverse may be less escalatory than those that inflict permanent damage. For example, employing high-powered jammers that can block and unblock satellite signals as desired could be preferable to a missile strike that destroys a satellite ground control station located on the territory of a major belligerent power. By offering the prospect of a relatively rapid restoration of lost service, such attacks might prove effective at undermining the enemy's will to continue the war. The same might be said of seabed operations that shut down offshore oil and gas pumping stations rather than physically destroying them or naval operations that seize and intern enemy cargo ships rather than sinking them. To the extent such actions are feasible, they can preserve key enemy assets as hostages that can be used as bargaining chips in negotiating a favorable end to the war.

Bringing the conflict to a close would be an important challenge in its own right. With the prospect of a decisive military victory out of reach for either side, such a war could last several years or more, winding down only when both sides choose the path of negotiation over the risk of annihilation, an uncomfortable peace over what would have become a prohibitively costly and seemingly endless war.

#### TORTOISES, NOT HARES

To prevail in a war with China, then, the United States and its coalition partners will need to have a strategy not only for denying Beijing a quick victory but also for sustaining their own defenses in a long war. At present, the first goal remains a formidable task. The United States and its allies—let alone prospective partners such as India, Indonesia, Singapore, and Vietnam—appear to lack a coherent approach to deterring or defeating a Chinese attack. If China seizes key islands along the first island chain, it would be exceedingly difficult for the United States and its partners to retake them at anything approaching



an acceptable cost. And if China is successful, it may propose an immediate cease-fire as a means of consolidating its gains. To some members of a U.S.-led coalition, such an offer might appear an attractive alternative to a costly fight that carries the risk of catastrophic escalation.

Still, Washington and its potential partners have the means and, at least for now, the time to improve their readiness. The United States should give priority to negotiating agreements to position more U.S. forces and war stocks along the first island chain, while allies and partners along the chain enhance their defenses. In the interim, U.S. capabilities that can be employed quickly, such as space-based systems, long-range bombers, and cyber weapons, can help fill the gap.

But U.S. strategists will also need to plan for what happens next, since preventing a Chinese *fait accompli* may serve only as the entry fee to a far more protracted great-power war. And unlike the initial aggression, that confrontation could broaden across a wide area and spill over into many other spheres, including the global economy, space, and cyberspace. Although there is no model for how such a war might play out, Cold War strategic thinking shows that it is possible to address the general question of a great-power conflict that extends horizontally and involves a variety of warfighting domains.

In the 1970s and early 1980s, the U.S. military developed an integrated set of operational concepts, or war plans, to respond to a conventional Soviet invasion of Western Europe. One, called *AirLand Battle*, envisioned the army and air force defeating successive “waves” of enemy forces advancing out of the Soviet Union through Eastern Europe. In this scenario, the U.S. Army would seek to block the Soviet frontline forces while a combination of U.S. air and ground-based forces—combat aircraft, missiles, and rocket artillery—would attack the second and third waves advancing toward NATO’s borders. Simultaneously, the U.S. Navy would employ attack submarines to advance beyond the Greenland–Iceland–United Kingdom maritime gaps to protect allied shipping moving across the Atlantic from Soviet submarines. And U.S. aircraft carriers would deploy to the North Atlantic with their combat air wings to defeat Soviet strike aircraft. To preclude the Soviets from using Norway as a forward staging ground, the U.S. Marine Corps also prepared to deploy quickly to that country and secure its airfields.

These concepts were based on a careful and systematic study of Soviet capabilities and strategy, including war plans, force dispositions,



operational concepts, and expected rate of mobilization. Not only did these concepts guide U.S. and allied military thinking and planning; they also helped establish a clear defense program and budget priorities. The principal purpose of these efforts, however, was to convince Moscow that there was no attractive path it could pursue to wage a successful war of aggression against the Western democracies. Yet nothing like these plans exists today with respect to China.

To develop a comparable set of war concepts for a great-power conflict with China, the United States should start by examining a range of plausible scenarios for Chinese aggression. These scenarios—which should include various flash points on the first island chain and beyond, not just those pertaining to Taiwan—could form the basis for evaluating and refining promising defense plans through war games, simulations, and field exercises. But U.S.

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The United States  
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long war.

strategists will also need to account for the enormous resources that will be needed to sustain the war if it extends over many months. As Russia's war in Ukraine has revealed, the United States and its allies lack the capacity to surge the production of munitions. The same holds true regarding the production capacity for major military systems, such as tanks, planes, ships, and artillery. To address this critical vulnerability, Washington and its prospective coalition partners must revitalize their industrial bases to be able to provide the systems and munitions needed to sustain a war as long as necessary.

A protracted war would also likely incur high costs in global trade, transportation and energy infrastructure, and communications networks, and put extraordinary strain on human populations in many parts of the world. Even if the two sides avoided nuclear catastrophe, and even if the homelands of the United States and its major coalition partners were left partially untouched, the scale and scope of destruction would likely far exceed anything the American people and those of its allies have experienced. Moreover, the Chinese might hold significant advantages in this respect: with China's very large population, authoritarian leadership, and historic tolerance for enduring hardship and suffering enormous casualties—the capacity to “eat bitterness,” as they call it—its population might be better equipped to persevere through a long war. Under these circumstances,



the coalition's ability to sustain popular support for the war effort, along with a willingness to sacrifice, would be crucial to its success. Leaders in Washington and allied capitals will need to convince their publics of the need to augment their defenses and to sustain them in peace and war until China abandons its hegemonic agenda.

#### A DIFFERENT KIND OF DETERRENCE

To paraphrase German Field Marshal Helmuth von Moltke the Elder, wars can take one of three paths and usually elect to take the fourth. In the case of China, it is difficult to predict with any precision how, when, and where a war might begin or the path it will take once it does. Yet there are many reasons to think that such a conflict could remain limited and last much longer than has been generally assumed.

If that is the case, then the United States and its allies must begin to think through the implications of a great-power war that, while remaining below the threshold of nuclear escalation, could last for many months or years, incurring far-reaching costs on their economies, infrastructure, and citizens' well-being. And they must convince Beijing that they have the resources and the staying power to prevail in this long war. If they do not, China may conclude that the opportunities afforded by using military force to pursue its interests in the Asia-Pacific outweigh the risks. 🌐



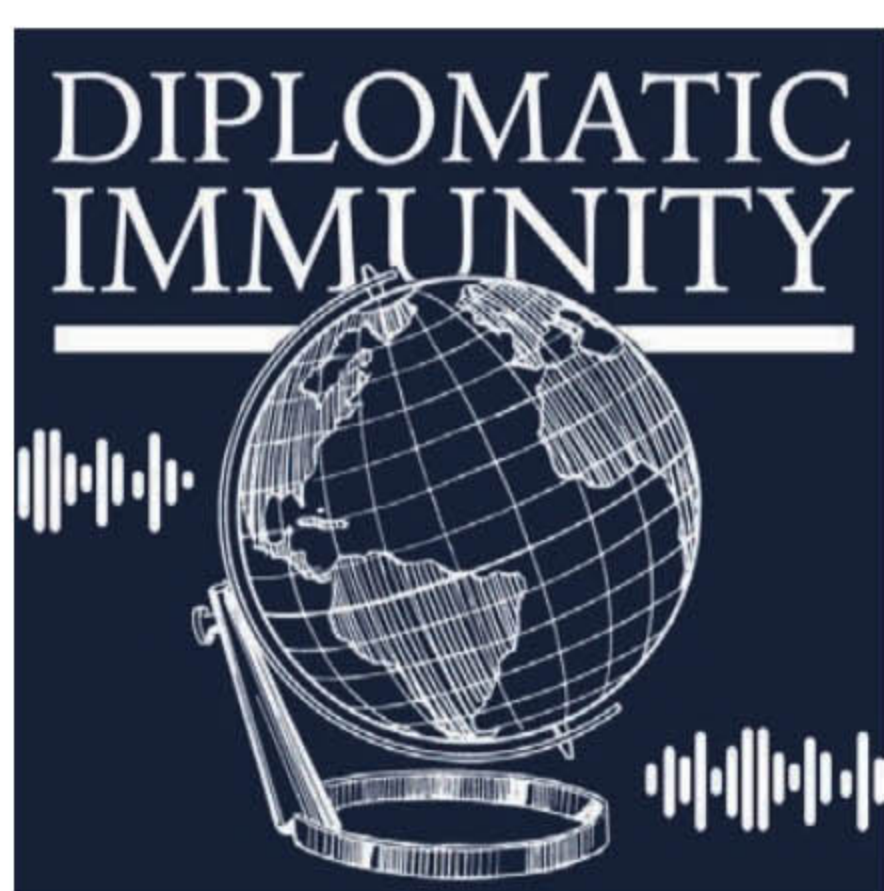


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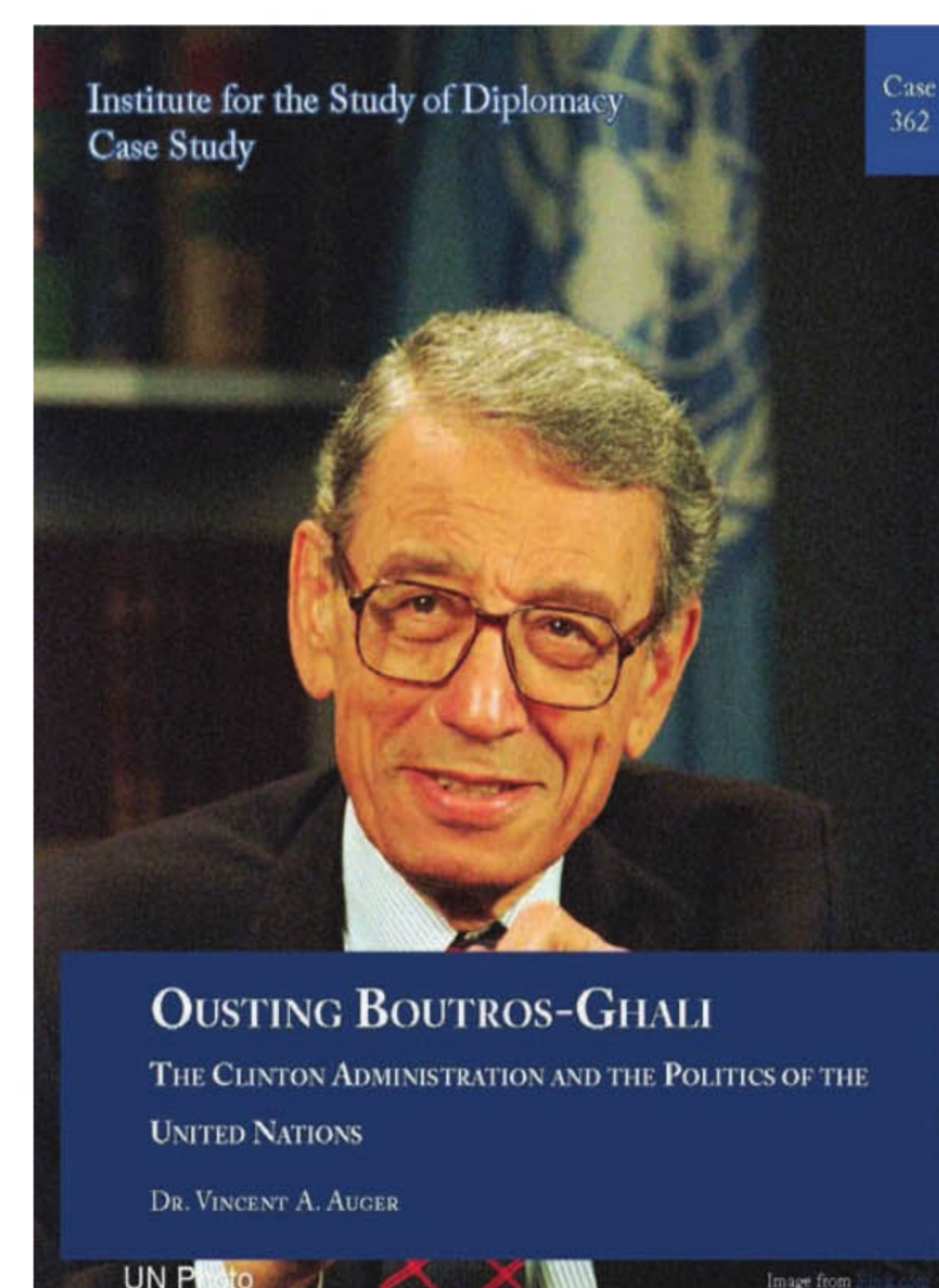
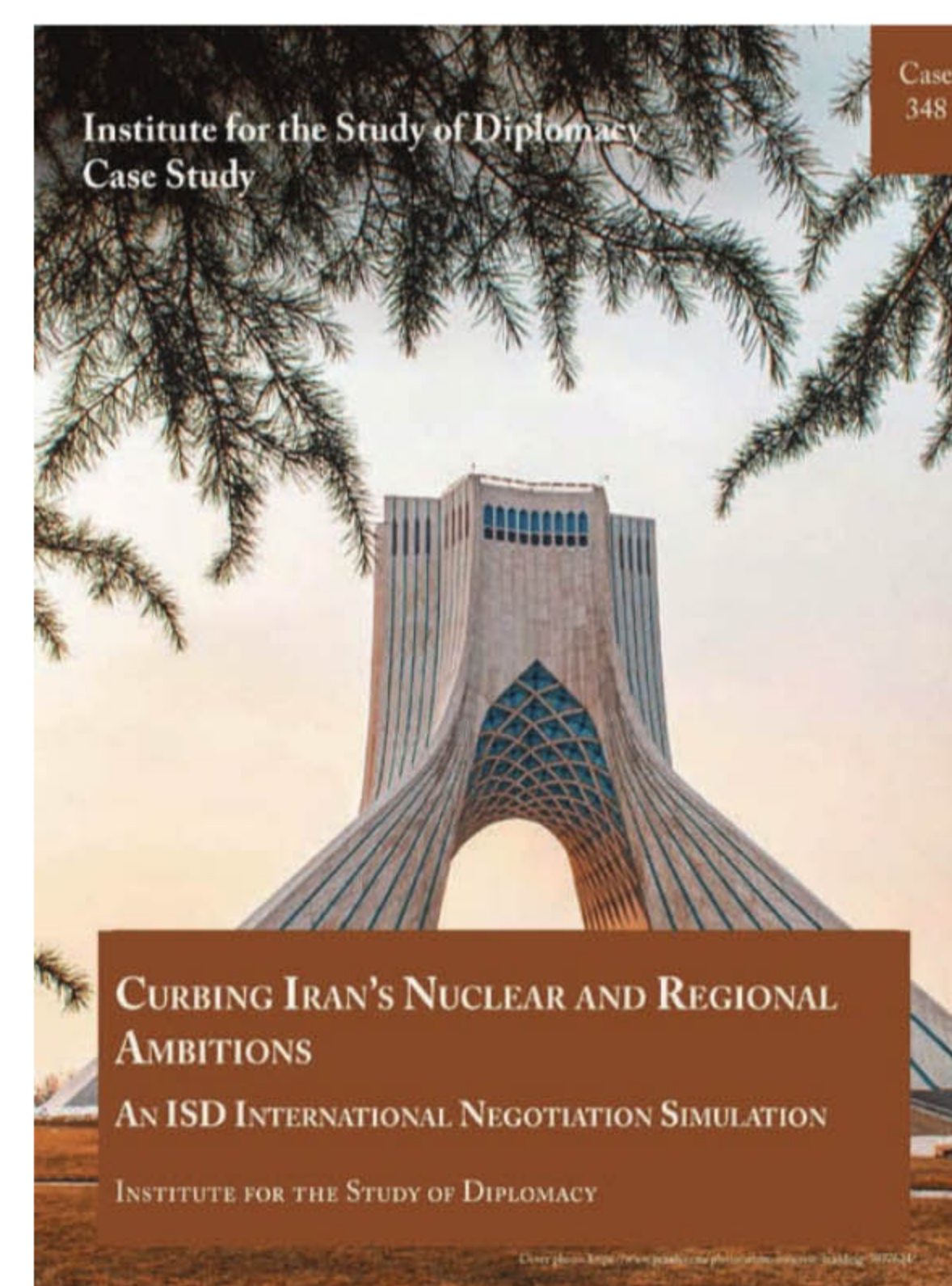
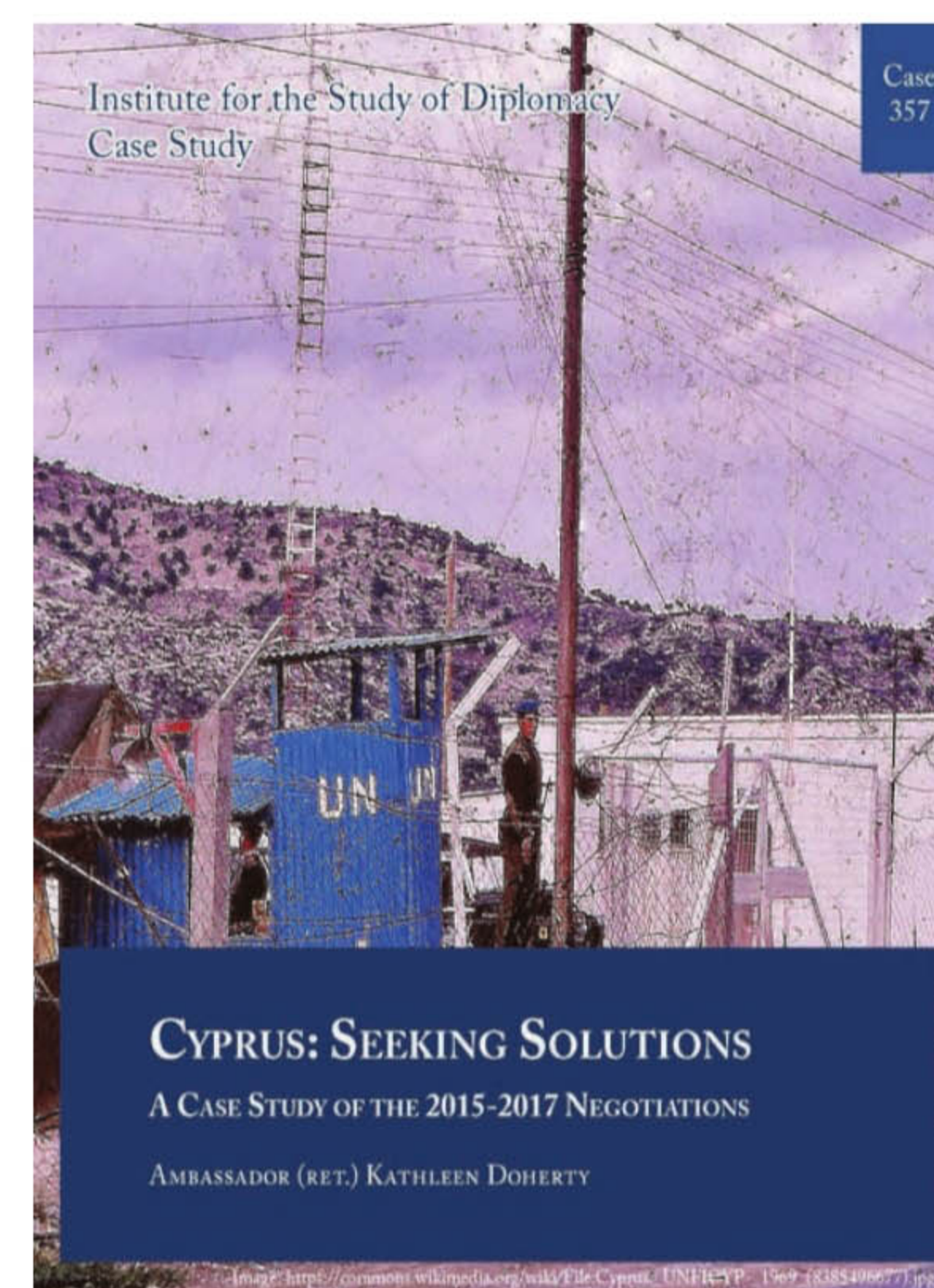
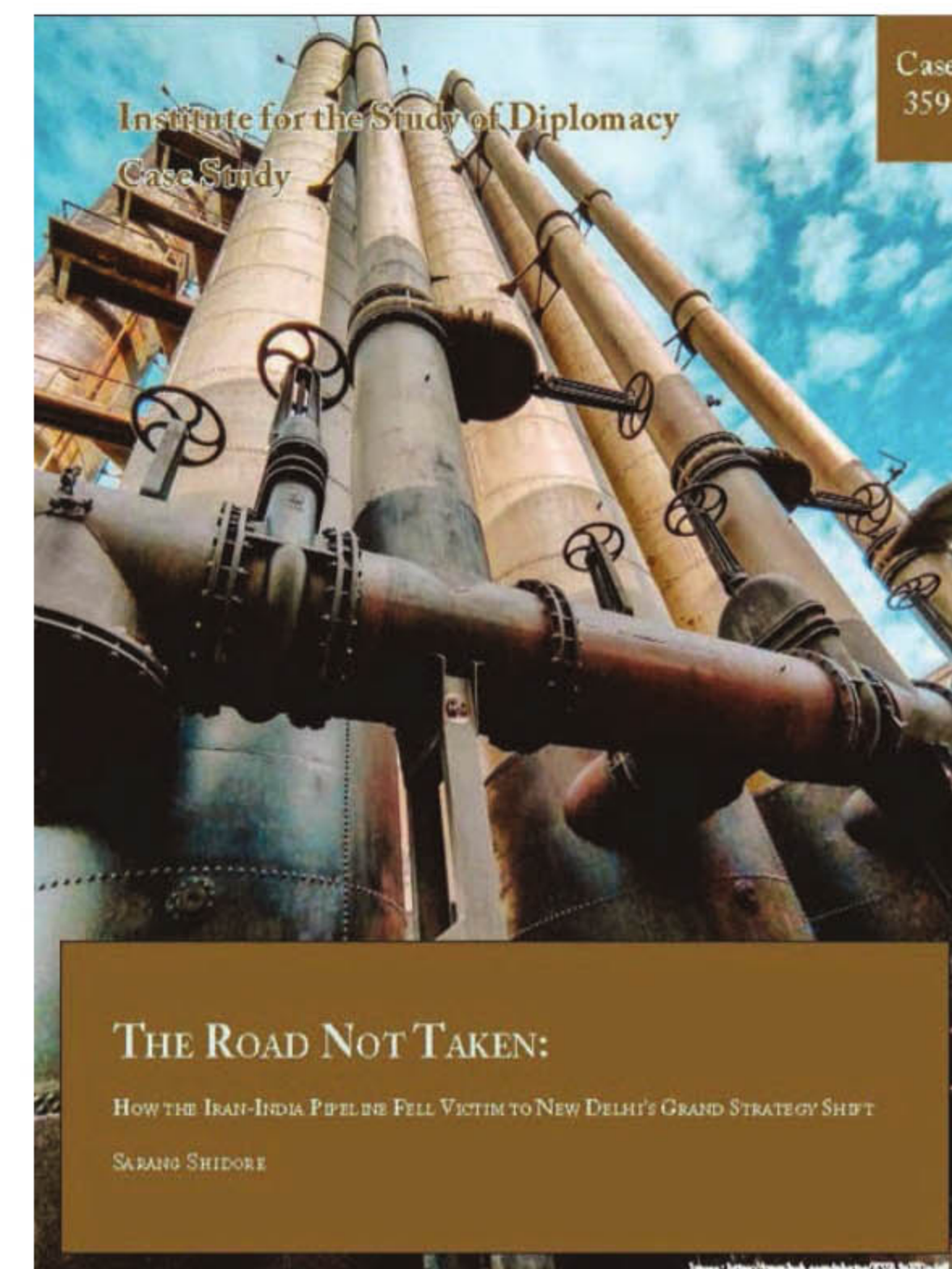
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# The Crisis of African Democracy

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## Coups Are a Symptom—Not the Cause—of Political Dysfunction

COMFORT ERO AND MURITHI MUTIGA

These days, a question crops up when African officials gather to discuss governance: Which president will be ousted by his military next? In the first two decades of this century, 13 successful coups took place in Africa. But from August 2020 to November 2023, seven African leaders were toppled by their own militaries. While these military takeovers have so far primarily occurred in a belt of instability that stretches from Niger to Sudan, the risk of broader contagion is real. In already fragile states, coups tend to reverse economic and political progress, and so stemming their rise may be the most urgent task for Africa in the coming decade.

To do so, however, both African policymakers and analysts outside the continent must better understand the shared dynamics that underpin these coups. In one sense, each recent coup has been

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different, driven by local problems. Some have emerged in response to government failures to control Islamist militancy. In Mali, for instance, before the ousting of President Ibrahim Boubacar Keita, in 2020, years of Islamist violence—and a failed French-led military intervention to tackle the fighting—had sapped public trust in his government and offered an opening for the military. Unchecked Islamist violence also paved the way for Burkina Faso's coup in 2022.

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Eight in ten  
Mali-  
ans backed  
their country's  
military junta.

Yet in coups in Guinea and Gabon in 2021 and 2023, respectively, Islamist militancy was not a factor. In Guinea, which had suffered under erratic dictators for decades, an elected president's moves to cling to power for life prompted a military intervention. In Gabon, blatantly rigged elections by a weakened long-time ruler provided the impetus for change. In Chad in 2021, military leaders used the opportunity opened by the long-ruling president's sudden death to appoint his son the head of a military council—and then jettisoned their promise to limit the council's time in power. That same year in Sudan, military leaders sought to consolidate their power in the face of a growing popular protest movement. The late July 2023 coup in Niger, meanwhile, appears to have stemmed from an internal power struggle between the president and a military chief.

The fact that so many different predicaments have ended the same way, however, suggests that the idea of launching a coup to resolve any manner of problems may indeed be becoming entrenched. And although local dynamics inspired each coup, discontent with governing authorities cuts across much of Africa. Economic woes are the primary driver of popular frustration. An annual survey by Afrobarometer, a Ghana-based research group that assesses popular attitudes across the continent, found in 2022 that citizens of almost every African state, including inhabitants of relatively stable East African and southern African countries, believed that their country was headed in the wrong direction.

In years past, coups in Africa were often viewed negatively by the population. They were seen as greed-driven efforts by men in uniform to corner state resources. But today, particularly in the Sahel, military takeovers seem to enjoy popular support. In 2022, research by the UN Development Program found that eight in ten



Maliens backed their country's military junta, although the same survey found that recent coups have tended to draw the most support shortly after they occur but then decline in popularity.

This shift in popular opinion appears alarming, suggesting that African citizens are becoming disillusioned with democracy or increasingly believe that authoritarian rule is the only solution to their countries' problems. Multinational institutions are cracking down on junta-led countries. The African Union (AU) has suspended the membership of countries that undergo coups, West African nations have imposed harsh sanctions, and European donors are cutting support.

This zero-tolerance approach, however, misunderstands the roots of Africa's new unrest and risks further immiserating a continent already hit hard by global shocks such as climate change and COVID-19. In fact, comprehensive surveys show that African citizens, even those who live in countries that have recently experienced coups, still have faith in democracy. They have been desperate to rid themselves of regimes that purport to be democratic but often fail to deliver on democracy's most basic promises.

Faced with climate-change-driven catastrophes, sovereign-debt crises, and soaring inflation, populations in many African countries have nonetheless gathered the energy to protest for democratic reforms. But over the past two decades, leaders in fully a quarter of African countries have modified or discarded constitutional term limits to consolidate their own power. To many African citizens, a military takeover may look like a welcome break in a dispiriting status quo; any change, even a coup, at least cuts a window into an otherwise long tunnel of elite failure and repression.

Coups only worsen countries' problems. But leaders who hope to stem their rise must recognize the deeper context in which they are emerging. If they do, they will see that a markedly different approach is necessary. Foreign governments and institutions such as the AU may at first need to work, temporarily, with some coup leaders to encourage them down a more democratic path. More important, Western actors must shift their habitual approach to the continent, moving away from security assistance and military action to backing governance reforms and boosting the kind of economic support that improves ordinary families' chances of securing stable livelihoods.



GREAT EXPECTATIONS

Few regions have been as badly hit as Africa by recent global shocks, and leaders on the continent have often been at a loss to address the damage. Climate change has brought hunger to swaths of the eastern Horn of Africa, unprecedented flooding to Libya and South Sudan, and deadly storms to southern Africa. Russia's 2022 invasion of Ukraine reduced grain exports to Africa, elevating food prices just as many countries were trying to chart a path toward reviving economies battered by COVID-19. Over the past few years, China has become Africa's biggest lender. But its loans to Africa have recently fallen tremendously, from a \$28 billion peak in 2016 to just under \$1 billion in 2022. And the rise in U.S. interest rates has triggered the flight of capital from key African economies as investors eye better returns at home.

On average, inflation on the continent stood at 16 percent in the summer of 2023, far higher than the global seven percent average. In Nigeria and Ethiopia, Africa's two most populous countries, inflation has topped 25 percent; as of September 2023, Nigeria had witnessed ten months of consecutive rises in inflation. African countries also rely on oil from the Middle East, and if the new war between Israel and Hamas expands, that could send already steep energy prices higher.

This gloomy picture marks a turn from the relative optimism that characterized the beginning of the twenty-first century on the continent. During the Cold War, both Moscow and Washington made Africa a proxy battleground, warping its politics and fueling wars. Economically speaking, however, many African countries also received generous support from Western governments and Western-dominated international institutions in exchange for not running into Moscow's embrace. Others got support from Moscow.

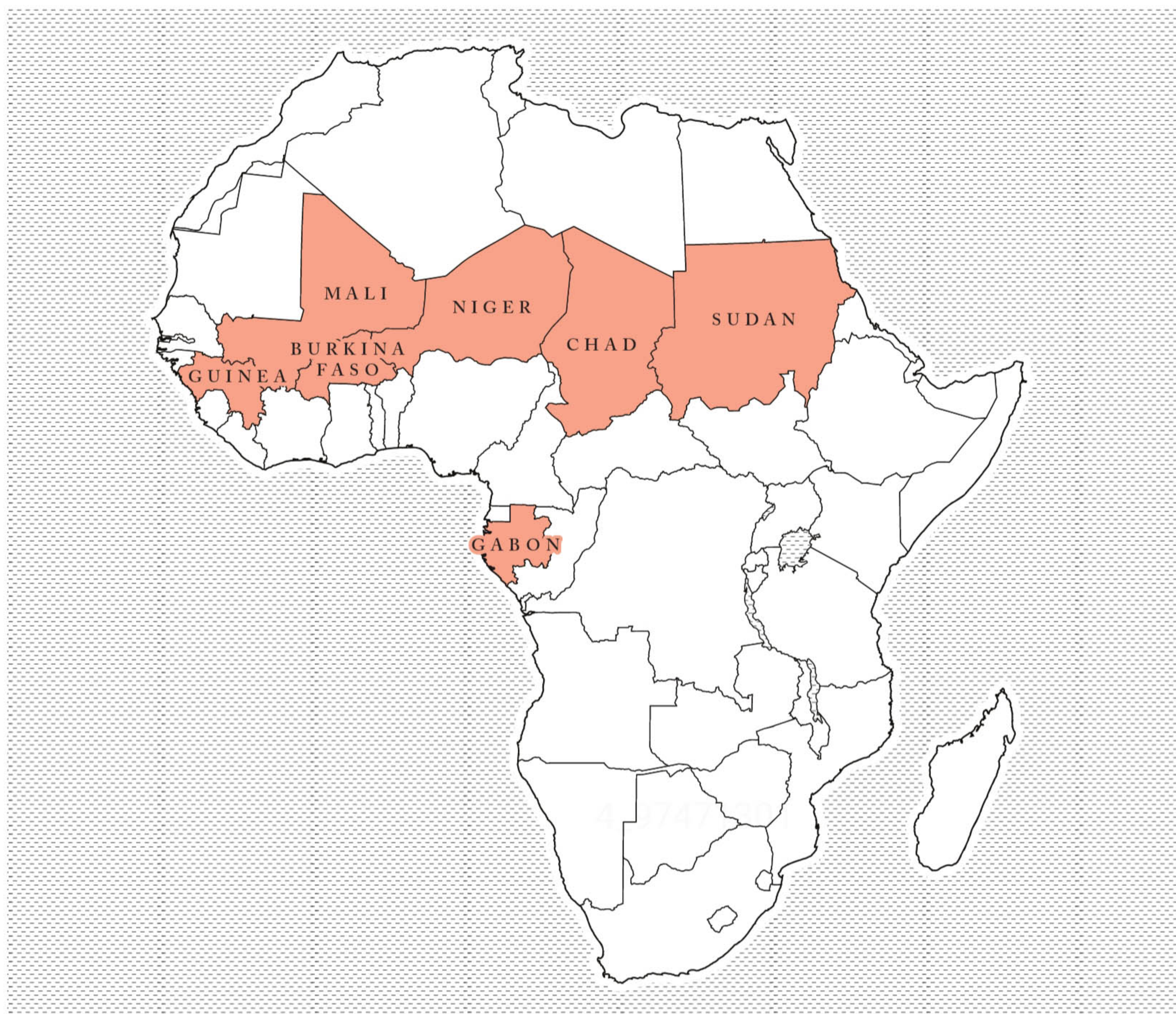
When the Cold War ended, much of Africa was plunged into a decade of political and economic uncertainty. As democracy spread in Eastern Europe, some African authoritarian rulers were also driven out of office; meanwhile, economic trouble in Africa deepened as Northern Hemisphere countries cut financial support. Many African countries sought loans from international financial institutions such as the World Bank and the International Monetary Fund (IMF). As a condition for these loans, the lenders required African governments to institute painful market reforms.

These reforms were controversial. But after 2000, some began to yield dividends. The first few years of the century brought surging



## THE COUP CORRIDOR

African countries that have experienced military takeovers since 2020



growth in many parts of the continent: on average, African countries' real GDP had grown 2.5 percent throughout the 1990s, but between 2000 and 2010, that growth surged to 5.0 percent. Political stability deepened, too. Elections became routinized in many countries.

The 2002 founding of the AU symbolized the continent's surge of confidence. The AU's predecessor, the Organization of African Unity, founded in 1963, had for decades been considered toothless; it ignored autocrats' abuses and horrors such as the 1994 Rwandan genocide. Before his own authoritarian turn, Ugandan President Yoweri Museveni famously called the OAU the world's "trade union for dictators." When a set of young, ambitious African leaders moved to replace the OAU, they decided it was time to hold member states to a higher standard. The new AU committed itself to "non-indifference" to



human rights abuses, departing from the OAU's state-centric focus on "non-interference." Its leadership also emphasized the need to forbid unconstitutional changes of government. Early on, pan-African leaders such as South African President Thabo Mbeki and Nigerian President Olusegun Obasanjo used the new body to champion effective initiatives such as the African Peer Review Mechanism, a program in which African governments periodically assess one another to gauge their performance on good governance, transparency, democracy, and political accountability.

#### HIDDEN WOUNDS

Behind the scenes, however, vulnerabilities persisted. Many African countries continued to suffer a major deficit of democratic governance. The first decade of this century was a period in which Western predominance went largely unchallenged, and authorities in Africa had to be careful not to fall afoul of powerful Western actors. Some countries made serious strides toward democratic consolidation. But in others, strongmen cultivated a performative democratization, ushering in the pretense of multiparty politics to appeal to Western capitals.

Too often, even in countries that staged elections, incumbents often tried to tilt the playing field in their favor. They restricted the ability of opposition parties to mobilize support, frequently suppressed civil society, and curtailed freedom of the press. Multiple countries—including the Central African Republic, Equatorial Guinea, and Zimbabwe—ended up under "electoral authoritarianism," a kind of regime in which presidents fix elections and change the constitution so they can serve beyond their mandated term limits.

In too many places, voting came to be seen as a meaningless ritual. And many governments on the continent did not widely share the dividends of economic growth in the boom years. Some presidents made bargains with powerful elites, extending them access to state largesse in exchange for not challenging their hold on power. Providing services to the wider public was viewed as a low priority.

This fragile but still optimistic outlook truly began to erode when the 2008 global economic crisis sent commodity prices crashing, cutting a vital source of income for many African governments. Then, in 2011, NATO-led troops invaded Libya to enforce a UN Security Council resolution. This was a cataclysmic development for West Africa. The intervention released streams of sophisticated weaponry from Libyan



armories into the Sahel, empowering an assortment of nonstate armed groups, shifting the balance of power against ill-equipped and poorly motivated state security forces, and igniting violence across a vast expanse of territory from Mauritania to Chad.

The price for civilians was colossal. Even though many of the countries caught in the crossfire had never been wealthy, citizens in rural areas had lived in relative normality and peace. Today, many rural communities in the central Sahel have been upended by strife. Fully ten percent of Burkina Faso's inhabitants have been displaced from their homes. The failure of a series of French-led military interventions, beginning in 2012, to reverse the rise of militancy incurred further civilian casualties. These French misadventures also inflamed deep resentment at the perceived arrogance of governments in Paris that still seek to call the shots in their former colonies and generated a strong wave of nationalism across much of West Africa.

Even in the wake of these disruptions, some African countries still appeared to be on the cusp of establishing more representative governance. For three decades, Ethiopia had been led by the same iron-fisted political coalition. But in 2018, Abiy Ahmed, a relatively unknown figure, came to power following a wave of protests. He quickly released political prisoners and announced a set of sweeping political reforms; his peace agreement with neighboring Eritrea earned him the Nobel Peace Prize in 2019. That same year in Sudan, an inspiring protest movement—with women in prominent roles—succeeded in driving the autocrat Omar al-Bashir into an undignified retirement in prison.

But soon, these two transitions went off the rails. In 2021, the Ethiopian government and allied forces from neighboring Eritrea became embroiled in a civil war with the Tigray People's Liberation Front, which had formerly led the coalition that governed Ethiopia. The generals who replaced Bashir in Sudan, eager to enjoy unchallenged access to state resources, sent their country into its own exceedingly pointless civil war. The unipolar moment appears to be over, and the emergence of new powers pursuing interests in Africa—China most prominent among them, but also Russia and middle powers such as Brazil, India, Turkey, and the Gulf monarchies—gives African leaders more choices of partners. They no longer feel an acute need to bend

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A fragile optimism in Africa began to erode with the 2008 global economic crisis.



to Western demands that they democratize. Some of those middle powers are feeding new conflicts by supplying arms to favored leaders and factions in areas in which they have commercial and geostrategic interests. The fighting in Sudan alone has killed thousands of people, displaced seven million others, and driven 19 million students out of school. Ethiopia's recent civil war left hundreds of thousands dead.

#### BITTER PILLS

It is hardly surprising that many recent coups have been followed by celebrations in the streets. But Africa's outlook is not unremittingly gloomy. A number of countries in East Africa and southern Africa have escaped the specter of coups and remain headed toward democratic consolidation. In 2007 in Kenya, claims of vote rigging after a presidential election devolved into ethnic violence, killing over 1,000 people and displacing up to 600,000. By 2017, however, allegations of election fraud were met very differently: the Kenyan Supreme Court overturned President Uhuru Kenyatta's declaration of victory and ordered a new election. It was the first time a top court in Africa had ever insisted that a disputed election be rerun, and Kenya's candidates and officials respected the decision.

In 2019, the Malawian Supreme Court followed Kenya's lead, annulling President Peter Mutharika's electoral win after the opposition party complained that the race had been marred by irregularities. An opposition leader won the court-ordered repeat vote. And in Zambia in 2021, an opposition leader, Hakainde Hichilema, won the presidency despite the incumbent's determined efforts to tip the scales in his favor. After Zambian electoral officials announced Hichilema's win, the incumbent accepted the outcome and left office peacefully.

South Africa is enduring an economic crisis born of the ruling African National Congress's lamentable fiscal mismanagement, but it remains a strong democracy with robust institutions, including courts widely viewed as independent; these courts serve as a powerful guarantor of the country's post-apartheid constitution, one of Africa's most progressive. Overall, African countries that have invested in affording citizens more responsive governance and built credible institutions such as independent judiciaries have fared better.

Free and fair elections do not uniformly correlate with stability. In Rwanda, for example, authorities govern with a heavy hand but still deliver services effectively. Generally, however, democracy and



stability appear to be correlated. An annual survey by the Mo Ibrahim Foundation, a nongovernmental organization that champions improvements in African leadership, found in 2022 that countries that receive the highest ratings for “overall governance” from their citizens also tend to be the most peaceful.

It may seem counterintuitive, but in less stable countries, citizens may hope that coups will eventually lead them down a route that more closely resembles Kenya’s. African citizens’ general warm reception of recent coups, in the Sahel in particular, does not signal a loss of faith in democracy. Earlier this year, the UN Development Program conducted a study of Africans’ views on coups and constitutional manipulation. The study surveyed 8,000 Africans, 5,000 who live in countries that have endured recent coups and 3,000 living in countries headed toward democratic consolidation.

Sixty-seven percent of people living in the solidifying democracies said that democracy was their preferred form of governance. But 55 percent of people in the countries now ruled by juntas also said they preferred democracy, nearly triple the amount who preferred non-democratic rule. The finding that African citizens still have faith in democracy was supported by another recent major survey, this one conducted by the Open Society Foundation. Aggregating the views of 36,000 people worldwide, it found particularly strong support for democracy as a mode of governance among African respondents.

African citizens’ apparent support for military juntas seems to signal public fatigue with failed elites, not a distaste for democracy. In essence, militaries are stepping in where political classes have run out of ideas, failed to renew themselves, and proved incapable of providing their people with solutions to immediate problems, whether related to security, public services, or the redistribution of wealth. Often, civilian rule has meant bad rule, and desperate citizens view military rule as a ready-made alternative.

The way that Western governments, the AU, and subregional organizations have responded to the unrest, however, has exacerbated instability. These institutions have generally reacted with stock outrage, insisting that any coup simply abrogates rules and norms. The AU, for instance, has suspended Burkina Faso, Gabon, Guinea, Mali, and Niger from its ranks until constitutional rule is restored. The Economic Community of West African States imposed harsh sanctions against Burkina Faso, Guinea, and Mali; its sanctions have severely



curtailed Niger's access to electricity. In some cases, external actors have insisted that the only possible proper response to a coup is to reinstate an ousted leader, even when the real prospects of reversing a coup are dim. This past summer, ECOWAS, with France's eager backing, spent weeks demanding that Niger's president be reinstated and issuing threats to intervene militarily. This punitive approach hurts civilians while failing to substantially change the behavior of juntas.

#### ALTERNATIVE MEDICINE

The first step to reversing this political instability in Africa is to embrace a more nuanced understanding of it. Many Burkinabe, Guinean, Malian, and Nigerien elites have ready retorts to the outrage expressed in Western capitals and at the AU in response to military takeovers: Where were you when we were struggling with jihadists killing our people? Where were you after our incumbent presidents organized sham elections? When African leaders have modified or discarded presidential term limits, the AU, in particular, has not been nearly so quick to condemn this kind of power grab.

Institutions such as the AU can make a stronger case against military coups: they simply do not work. Putschists come to power promising to restore security and improve lives but typically wind up making things worse. The Sahel offers an example. Its security situation today is grimmer than it was before military generals seized power. In 2007, only one percent of deaths caused by jihadi violence worldwide occurred in the Sahel. In 2022, that proportion had climbed to a staggering 43 percent. According to the Global Terrorism Index, maintained by the Institute for Economics and Peace, in 2022 Burkina Faso saw more fatalities from jihadi attacks than any other country in the world.

The effects that coups have on economies are no less dire. In 2020, University of Munich researchers published a study of coups and coup attempts in 180 countries over 70 years. They found that a successful coup slows a country's GDP growth by two or three percentage points. After a coup, soldiers not trained to handle economic affairs tend to set unpredictable policy, and investors hold back; cuts to donor programs deal a further blow. Even before Niger's mid-2023 coup, leaders there managed to raise only 52 percent of the revenue they needed to run their government programs. The subsequent cuts to donor assistance mean that its new leaders will struggle to meet the public's needs.



Efforts to reverse coups once they have happened, however, rarely succeed. In Niger, for example, the chances that military rulers would return President Mohamed Bazoum to power were close to nil. A hard-line stance only limits the capacity of foreign governments and multilateral institutions to influence the new leaders and deepens insecurity. In June 2023 in Mali, putschists, citing the need to protect national sovereignty, demanded that a UN peacekeeping mission exit the country. The peacekeepers' departure contributed to the resumption of hostilities between Malian forces and armed rebel groups as both sides vied for control of the military bases the UN left behind.

In this complex context, a more astute response would aim to improve the situation in the countries where soldiers have seized power. The role of the military in recent African coups needs to be understood in less stereotypical terms. West African militaries, and many other armed forces across Africa, now generally boast well-trained corps led by officers who have often received instruction in elite Western military institutions. Many ordinary citizens in countries such as Mali believe that despite ongoing security challenges, military leaders stand the best chance of restoring stability.

The United States' response to the coup in Niger offers a loose template. Unlike Paris, which immediately cut diplomatic relations with the new military rulers, Washington signaled that it would keep troops stationed in Niger contingent on the military transitional authorities' accepting a transition to civilian rule and rejecting help from the Russians. This pragmatic approach is not without risks. There is no guarantee that Niger's junta will consistently yield to U.S. demands. But the approach is worth trying. It is more likely to yield fruit than a censorious stance that forecloses the possibility of any engagement with a country's new leaders after a coup and may even encourage them to seek partnerships with authoritarian actors such as Russia.

In the future, other leaders and policymakers should be more open to working with coup leaders, encouraging them to take steps toward hybridizing their government so they incorporate political parties and civil society organizations, including women's groups. Military leaders may consider these steps less threatening. But they could allow regional actors, as well as external partners, to discreetly

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African citizens' warm reception of recent coups does not signal a loss of faith in democracy.



support civilian groups that can agitate for an eventual return to a constitutional order.

The AU must go beyond suspending countries that suffer unconstitutional changes of government. In principle, suspending a country's membership after a military junta is sound; it is in line with the AU charter. Merely suspending military-led countries, however, will do little to achieve a change of tack in their capitals. The AU must have sustained engagements with new military authorities to encourage a transition back to civilian rule. Moreover, the AU should show greater consistency to avoid the charge that it suspends countries selectively: it made an exception for Chad in 2021, ruling that the transition there did not amount to a coup.

The United States and Norway have also maintained substantial humanitarian aid to Sahelian countries hit by coups. In response to coups, other Western governments and the UN should continue to offer targeted economic and humanitarian assistance. ECOWAS must rethink the damaging sanctions it has imposed on its military-run member states, at a minimum exempting essential commodities such as fuel, medicines, and electricity. Many citizens support coups out of despair over their economic and security difficulties. Avoiding punishing them is the only way that outside actors can keep these citizens' trust.

#### PREVENTION IS BETTER THAN CURE

Using a different approach with putsch leaders will, of course, not be sufficient to stem an epidemic of coups in Africa. Much broader concerted action is needed to prevent economic pain from evolving into political unrest. Just this year, protests have broken out over the high cost of living in countries as disparate as Kenya, Nigeria, Senegal, and South Africa. Throughout much of the continent, anger is palpable, especially among the urban poor.

Local authorities are not blameless. But global conditions severely limit even the best-intentioned African leaders' capacity to respond to their economic difficulties. A significant problem is the debt crisis now afflicting the developing world. Africa's debt-to-GDP ratio stands at 65 percent, 10 percent higher than the IMF's maximum recommended limit. In 2017, the World Bank considered 15 sub-Saharan African countries to be in debt distress or at high risk of it; that number has since climbed to 23.



In late 2020, Zambia defaulted on its sovereign debt, thanks, in part, to the COVID-19 pandemic. In December 2022, Ghana, too, failed to meet its debt obligations. It now suffers a 38 percent inflation rate, one of the highest in Africa. In 2024, numerous African countries' eurobond loans will come due, and governments will have to divert resources from service delivery to debt payments, a step that will inevitably anger citizens. For some other countries, the risk of default is climbing.

African countries' sovereign debt burden is no mere accounting problem. Debt defaults immiserate millions, threatening security and democratic governance. A major World Bank study found that after a country defaults on its sovereign debt, infant deaths spike by 13 percent, and poverty rises by 30 percent, remaining elevated for many years.

Wealthier countries have proposed steps to help alleviate these economic challenges. But follow-through has been sluggish. EU states, for example, pledged to recycle their allotment of Special Drawing Rights—an asset created by the IMF to boost its member states' national reserves—to low-income countries to help them recover from the pandemic. According to African leaders, however, this help has been too slow in coming.

In an era of restless geopolitical competition in which great powers are vying for influence in Africa, the United States could win friends by helping African countries evade economic collapse. In a promising move, U.S. Treasury Secretary Janet Yellen joined a June 2023 summit hosted by French President Emmanuel Macron to assess solutions to the debt crisis that plagues much of the developing world. But Washington should do much more. It can urge the IMF to lengthen borrowers' repayment periods and offer more concessional financing to poorer countries. Such moves might prompt China to seek goodwill by taking more concrete steps to help address African countries' debt distress.

#### THE BLOOM OF YOUTH

A final key to improving African security and livelihoods is to pivot away from a security-based approach. After 9/11, Western governments diverted energy and funding previously directed at alleviating poverty over to the security sector, channeling billions of dollars toward building up African militaries' capacity. The perception that military actions in Africa—from coups to armed jihadist uprisings—ought to be met with a military response became entrenched. But this approach has yielded paltry returns. Security operations remain vital in the effort



to push back militancy. These must be accompanied, however, by strong political efforts to engage with groups that might be willing to renounce violence in exchange for incentives such as invitations to join their country's formal security services or local governance structures.

Addressing the deeper socioeconomic conditions that militants exploit to recruit discontented youth may help authorities turn the tide against jihadists. The example of Côte d'Ivoire is worth emulating: over the past decade, the country has implemented a comprehensive economic development program that includes apprenticeships and credit facilities for young people in its northern region. Compared with many of its neighbors, however, Côte d'Ivoire is relatively wealthy. Poorer countries will need external support to muster such initiatives, including from international financial institutions and Western governments.

Decision-makers in Western capitals, already struggling with domestic challenges, may be reluctant to try to sell taxpayers on the idea of sending more money abroad. But helping Africa in its season of strife may be easier to frame than many Western leaders imagine: for developed countries, investing in Africa is an act of enlightened self-interest.

Working with African leaders to create plentiful opportunities for young people to thrive and receive a good education will carry benefits well beyond Africa. Indeed, it is a necessary task. If population trends continue, by 2050, four in ten people between the ages of 15 and 24 worldwide will be African. When the rest of the world is graying, young Africans will form a growing part of the workforce of the future. If the global economy is to remain dynamic, Africans must have the skills and resources to drive that dynamism.

At a recent gathering of the AU, one of its officials posed a provocative question to fellow leaders: In how many countries on the continent would they see popular celebrations if their citizens woke up to find the government toppled? The season of coups in Africa may not be over. But the long-run solution to ameliorating the strife on the continent lies in making the investments required to improve governance and build stronger states. This is hard and painful work. Encouraging good governance is much more onerous than launching showy military interventions. But it is nevertheless necessary. Those who wish to promote peace and security in Africa have no other option than to do it. 🌍



# How to China-Proof the Global Economy

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## America Needs a More Targeted Strategy

PETER E. HARRELL

China's emergence as the United States' leading rival has upended long-standing tenets of international economic policy. For decades, policymakers in Washington assumed that economic engagement would draw Beijing into the Western order while providing business opportunities for U.S. companies. Thus, the United States pressed China to open its market to U.S. investors, accepting in return that at least some types of U.S. manufacturing would move to China. And in 2001, supported by the United States, China joined the World Trade Organization.

Behind these efforts lay a larger assumption about the power of economic policy to transcend geopolitics. Not only would the establishment of a global trading regime allow goods and services to move across borders without regard to political differences or geopolitical

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competition, but by anchoring China in a rules-based trading system, economic engagement would also serve as a moderating force on the Chinese government and ultimately spur political change. Through the early years of this century, many in Washington assumed that this logic was prevailing: China was becoming successfully integrated into the world economy, and it was sustaining extraordinary economic growth at home. At the same time, China's comparatively technocratic leadership in the 1990s and 2000s promoted private enterprise, and there were hopeful signs that it would allow Chinese society to gradually open up.

By the early 2010s, however, this progress had stalled. As Beijing reasserted state control of Chinese society and adopted a more confrontational policy internationally, Washington began to challenge China's actions. Thus, successive administrations have imposed tariffs, sanctions, and other coercive economic measures in an effort to alter Chinese behavior. But these punitive steps have been no more successful than earlier economic policies in prompting economic or political reforms. Meanwhile, under Chinese leader Xi Jinping, China's geopolitical rivalry with the United States has intensified.

Today, it is clear that Washington's economic approach to Beijing has not worked. But the United States cannot simply return to the divided economic model that prevailed during the Cold War, an era in which the West had few economic ties to the Soviet Union and most of the nonaligned countries had little economic clout. A contemporary global economic order must address not only the West and its rivalry with China but also the rise of Brazil, India, Indonesia, Nigeria, and other middle-power countries that now play a significant part in global economic growth but have little interest in formally aligning with either China or the United States.

Confronted with this increasingly complex and multipolar world order, Washington must find a new approach to its international economic strategy. Rather than pursuing economic policies intended to change China, the United States should accept that the Xi regime will not change. Instead, it should actively manage the economic relationship with China in ways that can advance specific U.S. interests and respond to evolving geopolitical demands. As the Biden administration has recognized, the United States must start by reducing its reliance on China in major supply chains and ensuring that the West keeps its edge in sensitive technologies.



But to sustain its advantage in an era of intense competition with Beijing, Washington must embrace a more sophisticated economic model. It needs to tailor policies to targeted, achievable goals and use a variety of creative tools to accomplish them. It must establish new trading relationships with like-minded partners, but it must also use financial diplomacy to draw nonaligned and developing countries closer to the United States. Success will be measured not by the extent to which the United States can convince China to liberalize and embrace the U.S.-led international order but by Washington's ability to maintain its economic leadership, strengthen alliances, and avoid catastrophic outcomes.

#### BEIJING UNBOWED

Over the last five decades, the United States has wielded both inducements and threats in its economic statecraft toward China. Shortly after U.S. President Richard Nixon began the process of full normalization with Beijing, in 1971, Washington bet that greater economic ties would benefit the economic and strategic interests of the United States. Opening China's market to U.S. business, policymakers thought, would also gradually promote political reform and geopolitical moderation in Beijing. The essence of this policy was summed up in a 2005 speech by Robert Zoellick, the U.S. deputy secretary of state at the time, on China's emergence as a "responsible stakeholder" within the global economic order. "For fifty years, our policy was to fence in the Soviet Union while its own internal contradictions undermined it," he said. "For thirty years, our policy has been to draw out the People's Republic of China."

The U.S. strategy undeniably succeeded at bringing China into the world economy. By 2014, China had overtaken Canada as the United States' largest trading partner, and by 2023, China had achieved that status with more than 120 other countries as well. China itself experienced an economic rise that was unparalleled in modern history, becoming the world's second-largest economy in 2010 and lifting more than 800 million of its citizens above the World Bank's poverty line.

After Xi ascended to power in 2012, however, it became apparent that Washington's China strategy was no longer advancing U.S. economic and strategic interests. For one thing, between 1999 and 2011, expanding trade with China had cost the United States an estimated two million or more jobs, according to a prominent 2016



study by the economists David Autor, David Dorn, and Gordon Hanson. And instead of opening its economy to U.S. imports and investment, Beijing was limiting foreign access even as it used subsidies and other policy measures to enhance its own industries at the expense of foreign competitors. In sectors where China did open its market, it often required U.S. companies to form joint ventures with local Chinese partners and to manufacture in China rather than import products and services from the United States. Even when

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authoritarian.

profitable for the U.S. companies in question, these requirements tended to leave American workers on the sidelines.

By the early 2010s, China had also become much more assertive on the world stage. It had expanded its maritime claims in the South China Sea, embarked on a massive modernization of its military, and ramped up

its industrial and political espionage capabilities around the world. At the same time, the Chinese government had expanded domestic repression and built a vast censorship and surveillance apparatus, contradicting Western policymakers' assumptions that the spread of technology would result in greater individual freedom and more limits on the state. Indeed, China soon became a leading exporter of the technology of repression. In short, China's economic transformation was making Beijing more, not less, authoritarian, giving it new resources to buttress the Chinese Communist Party's hold on power.

Starting near the end of the Obama administration, Washington tried to reverse these trends by weaponizing the economic ties it had built. In 2015, for example, the U.S. government threatened to impose sanctions against China for its rampant intellectual property theft. Three years later, U.S. President Donald Trump launched a trade war against Beijing—ultimately placing tariffs on more than 80 percent of U.S. imports from China. He also began a campaign against Huawei, the Chinese telecom company, whose 5G networks were deemed to threaten U.S. information security, and tried to ban TikTok, WeChat, and several other Chinese apps from operating in the United States. (U.S. courts ultimately blocked this plan.) Picking up where Trump left off, President Joe Biden imposed new human rights sanctions on Beijing and in late 2022 enacted sweeping restrictions on the sale of advanced semiconductor equipment to China.



Yet these coercive measures proved no more successful in changing China's behavior than the decades of inducements that preceded them. Although Beijing offered minor trade concessions to Trump in exchange for limiting further U.S. tariffs on Chinese goods, it continued to undercut the competitiveness of U.S. and other Western companies. And the Chinese government has proved similarly intransigent in the face of Biden's pressure. U.S. bans on imports from China's Xinjiang Province may have reduced U.S. imports made by forced Uyghur labor, and U.S. export controls on advanced chip technology may have slowed China's ability to produce chips. But in both cases, Beijing has responded by developing other markets and expanding its own domestic investments rather than altering the policies that led to the U.S. restrictions.

#### MORE TOOLS, LESS RISK

As the Biden administration's China policy has taken shape, there has been much discussion about "de-risking," or reducing U.S. dependence on China for many important goods. On paper, the strategy provides a useful corrective to the economic policies of the past few decades. Since the 1990s, trade liberalization has given China outsized influence over certain U.S. supply chains and allowed China to use U.S. technology for its military and repressive apparatus. Aided by the CHIPS and Science Act of 2022 and other measures, de-risking uses domestic investments, export controls, and investment screening to secure U.S. supply chains and deny China access to a handful of leading-edge technologies such as semiconductors.

But the current strategy has been deployed too narrowly. Although Washington should not seek to cut off all or even most trade with China, it needs to reduce its dependence on its rival in a number of other critical sectors. For example, the United States continues to rely on China and Chinese supply chains for widely used pharmaceuticals and medical supplies. And although the 2022 Inflation Reduction Act has provided incentives to build clean energy technologies and electric vehicles in the United States, the U.S. government needs to make sure that Chinese companies are not abusing these measures by setting up U.S. factories in order to entrench Chinese control over key components. To be effective, then, de-risking must be applied to a greater variety of goods and employ a wider range of methods.

Tariffs are ripe for innovation. Rather than using them to gain leverage over Beijing, Washington should design them to promote



specific U.S. strategic interests. For example, Washington could impose higher tariffs on resources and products for which the United States and its allies have developed strategic dependence on China such as critical minerals, batteries, and electric vehicle parts—not to mention China's EVs, which have already begun to flood Western markets. The reality is that without protectionist measures, mines and green technology manufacturing facilities in the United States and partner countries often cannot compete with low-cost Chinese-owned counterparts, which receive subsidies from Beijing and are subject to few environmental regulations.

Washington also needs to better integrate tariffs with the Biden administration's industrial policy. Take semiconductors. As the United States has put pressure on China's advanced chip industry, China has ramped up production of older types of semiconductors that remain critical for U.S. defense, industrial, and automotive applications. The United States may need tariffs and other tools to ensure that China does not establish a monopoly on these chips. Meanwhile, Washington should cut tariffs on Chinese products, such as clothes and furniture, that raise prices for U.S. consumers while providing little strategic benefit. In the long run, a smarter policy will also require restrictions on Chinese components and Chinese companies involved in critical international supply chains, even if the final products are made in a country other than China.

Another crucial tool is technology policy. To defend its economic leadership, the United States needs to remain at the forefront of innovation in semiconductors, artificial intelligence, and other advanced technologies. Keeping that edge will require more investments at home in education, research, and manufacturing but also more limits on Beijing's access to these technologies and the investments that support them. In addition to advanced semiconductor technology, the government should place export controls on biotechnology, advanced manufacturing, and other sectors to prevent China from stealing or copying U.S. advances and then reinforcing U.S. dependence on it for vital products.

Perhaps most urgent is better oversight of the use of Chinese digital products and data-gathering technologies in the United States. Washington has few regulations governing Americans' use of Chinese apps and software. Although the Federal Communications Commission has made progress in restricting the use of



Chinese telecom network infrastructure and in banning some Chinese surveillance cameras and similar devices, the country remains vulnerable to Chinese espionage and intrusion. For example, the U.S. government continues to purchase computers from Chinese companies, despite the security risks and the fact that Beijing has largely banned U.S. computers from Chinese government agencies. When it comes to Chinese apps and software that are widely used in the United States, Congress should enable the U.S. government to conduct security audits and impose measures—bans, in exceptional cases—to protect U.S. data and give Americans confidence about the security of the apps they use. And Congress needs to enact better protections against data brokers—companies that trade in personal or corporate data—and that are currently allowed to sell sensitive personal information about U.S. citizens to buyers all over the world, including in China.

As Washington develops new regulatory tools, it must also maintain open lines of communication with Beijing. Amid an intensifying geopolitical rivalry, economics is no longer an effective ballast in the U.S.-Chinese relationship. But as U.S. economic strategy toward China shifts from trying to induce changes in the Chinese market to actively managing economic ties, there are serious risks of misunderstandings or unintentional provocation. Direct and open dialogue can reduce the chances of escalation.

#### NARROWER DEALS, WIDER IMPACT

In response to rising competition from China, much of the U.S. foreign policy community has urged the United States to strike new trade deals with international partners. Many policymakers have called for joining an amended Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the multilateral pact that the Obama administration helped negotiate but that the United States never ratified. Others have called for new bilateral deals with countries in regions from Africa to Europe. The theory is that by entering comprehensive trade agreements, the United States could deepen relationships and enforce regulations that check Beijing's global influence. With strategically nonaligned countries such as Indonesia and Vietnam, new trade deals could help draw them into the U.S. economic orbit. In turn, a deal with Japan or the United Kingdom could further strengthen U.S. cooperation with a core ally.



Yet the domestic implications of such trade agreements are challenging. Already, Biden's industrial policy, including subsidies for manufacturing semiconductors and clean energy technologies, has raised tensions with existing U.S. trade commitments, and the policy is continuing to evolve. U.S. policies toward the digital economy and the technology sector are also in flux, with many domestic agencies embracing greater regulation. The rise of artificial intelligence, meanwhile, threatens to disrupt a wide variety of industries, from software design to health care, and will require new approaches to copyrighting and other forms of intellectual property protection. As a result, new trade agreements could bind the United States to rules that might conflict with evolving domestic priorities.

Instead of seeking broad accords, Washington should adopt a narrower, more targeted approach to trade by pursuing deals in sectors where interests clearly converge. One example is the critical minerals agreement that the United States has begun to negotiate with Japan and other countries, as well as the European Union: in the coming years, the United States will face a staggering increase in demand to support the clean energy transition; mineral-producing countries seek greater access to the U.S. market. In reaching a deal with these countries, Washington can also negotiate higher environmental and labor standards.

Many other sectors are ripe for dealmaking. A medical supply chain agreement with Israel and several countries in Europe could help reduce the United States' dependence on China for crucial pharmaceutical ingredients. A deal on electronics could help companies shift manufacturing away from China and increase the security of devices sold in the United States. Washington could also pursue an industrial policy agreement with other G-7 members to guarantee transparency and develop shared standards for subsidies to ensure that multinational companies do not play allied governments against one another.

A sectoral trade strategy would also allow the United States to think more creatively about the kinds of commitments it seeks from partner countries. Beyond such traditional measures as lower tariffs and standardized customs processes, an agreement aimed at a particular sector could encompass expedited permitting for major projects, such as mining and manufacturing infrastructure. It could also provide access to U.S. financing tools—such as the U.S. Development



Finance Corporation and even Defense Production Act funding—that could support the development of key manufacturing and other infrastructure.

With a sectoral approach, the United States could link trade priorities more directly to national security strategy. For example, as part of an agreement on industrial policy with close allies, Washington could offer expedited U.S. government approvals—such as from the Committee on Foreign Investment in the United States, the interagency body that reviews investments for national security risks—to companies based in those countries that are seeking to invest in sensitive areas of the U.S. economy. It could also refrain from imposing export controls on sectors that are covered in a trade deal, a move that would signal to companies and entrepreneurs that national security tools will not impair cross-border business ties.

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Instead of broad trade accords, Washington should seek targeted deals.

In contrast to the old model of global trade, which did little to promote the clean energy transition, U.S. trade policy also has to address climate change. And since China is the world's largest greenhouse gas emitter, generating twice the quantity the United States does, any climate-oriented trade policy must address China. There are several ways to do this. The EU is already moving forward with a carbon border adjustment mechanism, which will use tariffs to protect lower-carbon, but higher-cost, European producers from carbon-intensive foreign competitors, including China. The United States should join with partners in Europe and elsewhere to develop a polluter import fee on greenhouse-gas-producing goods to ensure that domestic efforts to reduce emissions do not simply result in offshoring to China and other countries that have laxer emissions rules. Indeed, climate-focused trade policies can give China economic incentives to decarbonize even if geopolitical tensions make it otherwise reluctant to do so.

Although sectoral trade deals should be the main emphasis of U.S. policy, Washington is also under pressure from allies to revive the languishing World Trade Organization. In recent years the United States has downplayed the WTO and blocked the appointment of judges to its appellate body—effectively gutting its ability to issue



binding decisions on global trade. This approach reflects the widespread view in Washington that the WTO suffers from conceptual problems at its core: WTO rules, for example, were designed to require member countries to generally treat one another equally for trade purposes, meaning that the U.S. should treat China no differently than it treats allies such as Germany. This approach reflects the optimism of the early post-Cold War era, when policymakers envisioned a new global economic order, but it makes little sense in an era of geopolitical rivalry. Moreover, the Biden administration's subsidies for semiconductors and clean energy technologies may well violate WTO rules, although to date, the United States has persuaded its allies to refrain from bringing a legal challenge against them.

For the WTO to remain relevant, its other members will have to agree on new mechanisms that allow it to respond to geopolitical tensions and the now pressing need for green industrial policies. One option is to update the text of WTO rules to allow greater flexibility for national industrial policy and to encourage amicable dispute resolution. Another option—potentially more realistic given that rule changes require unanimous agreement from WTO members—is for the G-7 countries to reach an informal agreement that forbids them from using the WTO to challenge certain policies or requires them to appoint judges committed to more flexible interpretations of the existing WTO rules.

#### SECURITY WITHOUT FIREWALLS

In adopting a sectoral approach to trade, U.S. policymakers need to give special attention to the Internet and the cross-border flows of technology it enables. From the earliest years of the Internet, the United States has generally resisted regulating it, under the assumption that the digital economy would develop faster without government interference and that government institutions are poorly equipped to keep up with the latest innovations. Indeed, for much of the past quarter century, the relative lack of rules and restrictions spurred rapid advances, allowing U.S. tech companies to establish dominant global positions.

In recent years, however, national security concerns have pushed Washington and its allies to reevaluate this hands-off approach. China and Russia have erected national firewalls to the Internet and used government access to devices, network infrastructure, and cameras to



surveil tens of millions of citizens in real time. China is also actively exporting its Internet surveillance technology, with companies that build network infrastructure, such as Huawei and ZTE, continuing to win bids around the world even as the United States pressures countries to avoid them. And Chinese and Russian hacks have continued to target Western firms and Western governments.

Washington has responded to these threats in several ways. The Committee on Foreign Investment in the United States has stepped up its vetting of proposed foreign purchases of U.S. companies, considering whether the buyer might get access to U.S. data. In some cases, CFIUS may require a U.S. company acquired by a foreign one to store its data and information on computers in the United States and to avoid sharing them with its new owner. Banning or otherwise restricting TikTok continues to be a topic of lively debate in state capitals and Congress. Representatives have proposed placing new limits on the export of U.S. data to China, measures that should be adopted but that must be carefully tailored to address security risks without disrupting legitimate business. The EU, India, and an assortment of countries, meanwhile, are adopting data localization requirements of their own. Whether imposed by the U.S. government or its counterparts in other countries, these restrictions reinforce the fragmentation of the Internet, even among close allies.

To counter this trend, the United States and like-minded countries should develop a new approach to Internet governance. The United States and the EU took a step in this direction in 2022, when they, along with several dozen other countries, endorsed the Declaration for the Future of the Internet, a joint statement underscoring the need for a collective response to data security risks. The declaration envisioned the creation of a common approach to address online threats, regulate cross-border data flows, ensure that members rely on trusted network infrastructure and avoid technology that poses national security risks, and enforce unfettered access to the Internet itself. The United States and its partners should work to translate that vision into a meaningful set of commitments.

Similar regulations are needed for technologies that have broader security implications and that have become flash points in Washington's competition with Beijing. These include many technologies that could transform the global economy over the next decade: semiconductors, artificial intelligence, quantum computing,



advanced manufacturing technologies, and 3D printing. For now, these technologies are dominated by a small group of advanced industrial countries—and China. Most high-end semiconductors, for example, are made in Japan, the Netherlands, South Korea, Taiwan, and the United States. Among Western countries, artificial intelligence research is centered in the United States, with France, Germany, Japan, South Korea, and the United Kingdom also having important research centers. These countries also control much of the computing power needed to effectively train advanced AI systems. China and the United States currently have the lead in quantum computing, with Australia, Canada, Japan, South Korea, and the EU also in the game.

To harness the convergence of interests among these countries, the United States should form a new critical technologies club that would both support the development of these products and regulate their export to China. The United States has long promoted and participated in multilateral export-control regimes, going back to efforts after World War II to limit exports of dual-use goods—products that have potential military as well as civilian applications—to Soviet bloc countries. But a club devoted to regulating advanced technologies could expand these kinds of controls to other areas to ensure that the West remains ahead of China not only in the military domain but also in crucial areas of economic innovation.

#### DOLLARS, NOT DEBTS

A better approach to containing China and its influence in the world cannot be based on sectoral trade deals and export controls alone. To bring developing countries closer into alignment with the West, the United States also needs to find more ways to provide economic and infrastructure support to its partners. New forms of international financing will be especially important, not only for driving the clean energy transition and promoting sustainable development but also for offering countries a more attractive alternative to partnering with China.

Starting in 2019 and 2020, as the Trump administration highlighted the risks of China's global lending policies, many governments and analysts began giving more scrutiny to the Belt and Road Initiative, China's vast infrastructure financing program. Beijing's opaque lending practices and "debt trap" diplomacy have often left



borrowing countries in thrall to China. Nonetheless, the Chinese government has been able to use the Belt and Road Initiative to promote its geopolitical interests because the program has often served legitimate financing needs. Those needs will be even greater in the coming clean energy transition. A high-level expert report prepared for the UN's 2022 climate conference, COP27, found that developing countries need at least \$1 trillion a year to finance the costs of adapting to climate change; a 2023 UN report found that these countries face a \$4 trillion financing gap to meet sustainable development goals. The reality is that if the United States and its allies do not meet these needs, China will.

Over the past year, Washington has responded to the financing problem by pushing the World Bank, the International Monetary Fund, and other multilateral institutions to expand their lending capabilities and create new tools to address climate change. But Washington must appropriate enough funds—a step only the U.S. Congress can take—to ensure that the World Bank and IMF reforms are successful, and it needs to overhaul its bilateral investment and development tools. To better compete with Beijing, Washington should make more creative use of the U.S. Development Finance Corporation and the Export-Import Bank, which promote U.S. private sector investment in the developing world. For example, the government could direct these programs to offer concessional lending—loans offered on more favorable terms than prevailing market rates—so they can close deals more quickly in foreign countries.

Washington can also provide more capital to partners and allies by expanding the use of sovereign loan guarantees. By offering a U.S. government backstop to entities that loan money to a foreign government, sovereign loan guarantees unlock additional financial resources for emerging or fragile economies. In recent decades, however, the United States has used them sparingly: since the 1990s, it has offered them to only seven countries, with the most recent guarantee—to Ukraine—issued in 2022. But because global interest rates have risen over the past year and are poised to stay high, sovereign loan guarantees offer an attractive way to provide direct financing to partner governments.

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Washington needs to overhaul its investment in the developing world.



Finally, the United States needs to prepare for an emerging global financial order in which the dollar remains dominant but Washington's ability to leverage that dominance is waning. Much of the focus of U.S. economic policymakers has rightly been on the positive side of the international agenda—how capital can be deployed to meet global needs and opportunities. But successive administrations have grown increasingly effective at weaponizing U.S. control of the global financial system, whether by disrupting trade with Iran and North Korea in response to their nuclear programs or by using sanctions to put intense financial pressure on Russia following its invasion of Ukraine in 2022.

In recent years, China, Russia, and a number of developing countries have identified Washington's weaponization of the dollar as a threat and worked to establish alternative reserve currencies. From a macroeconomic perspective, these efforts have largely failed, but the goal of these rivals is not actually to supplant the dollar as the dominant unit of exchange. Instead, they have a narrower and more achievable objective: developing a non-dollar-denominated payments network that would allow them to continue basic trade and financial activities should they lose access to the dollar. What these countries seek, in other words, is not a new dominant currency, but a viable one that could be used for their trade as needed.

Measured against that goal, these efforts show some signs of success. Already, Russia's experience following the 2022 sanctions shows that a country with sufficient financial clout can maintain both internal stability and international financial ties with China, India, and other countries across the developing world, even when most of its major banks have been kicked off Western financial networks. Beijing is creating an alternative payment system for its energy imports and global exports in case it becomes the target of Western sanctions.

Over the long term, the United States is unlikely to prevent the emergence of these rival networks. But it can actively reinforce the dollar's position in global trade and finance and slow the rise of alternatives. In 2022, for example, the United States was able to curtail Russia's attempt to expand its cross-border Mir electronic payment system to Turkey and other countries by warning of sanctions against non-Russian banks that connected to it. These threats have not stopped Russian trade, but they have ensured that more of it remains potentially subject to U.S. sanctions.



A SHARPER EDGE

As Washington embarks on what could be years of geopolitical competition with Beijing, Americans have reasons to be optimistic. This is not because the United States is likely to “win” the competition the way it won the Cold War with the dramatic collapse of the Berlin Wall, at least on any time horizon relevant to U.S. policymakers. Indeed, the next decade seems likely to offer neither victory nor defeat since the odds of China fundamentally changing its geopolitical course, at least while its current government remains in power, are minimal. Yet the United States is well positioned to maintain its edge in leading economic domains. China’s mishandling of the COVID-19 pandemic and erratic crackdown on its business sector have sapped Chinese economic confidence and encouraged talented technologists and entrepreneurs to relocate abroad.

Although Xi’s government will undoubtedly tap the wealth created by the hard work of the Chinese people, and China will continue to use its economic strength to make alliances abroad, many analysts now suggest that China’s growth will be substantially slower in the years to come than it has been over the past three decades. Closed societies also tend to be less conducive to innovation, and in view of Beijing’s efforts to insulate itself from the outside world, China may find its pace of technological advances slowing as well. U.S. companies, meanwhile, have opened a lead in AI, and American universities continue to attract talented students from around the globe, a vital source of innovation that U.S. policymakers should do more to encourage. And smart domestic investments and macroeconomic policies have given the United States the strongest post-COVID economic recovery of any major developed nation.

To position itself for success in the long term, however, the United States will need to develop a more effective economic strategy toward its close allies and other partners across the globe. New and better economic tools and more targeted international trade and finance policies can prevent Beijing from displacing the U.S.-led international order and help Washington adapt to geopolitical rivalry in a multi-aligned world. Even if they cannot force Beijing to change, U.S. policymakers can ensure that Washington maintains its economic and technological advantage and draws a larger share of the world its way. In doing so, they can further the interests of the United States and those of its partners, regardless of the choices China makes. 🌐



# The American Way of Economic War

## Is Washington Overusing Its Most Powerful Weapons?

PAUL KRUGMAN

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*Underground Empire: How America Weaponized the World Economy*

BY HENRY FARRELL AND ABRAHAM NEWMAN. Henry Holt, 2023, 288 pp.

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Suppose that a company in Peru wants to do business with a company in Malaysia. It should not be hard for the firms to make a deal. Sending money across national borders is generally straightforward, and so is the international transfer of large quantities of data.

But there's a catch: whether or not the companies realize it, their transactions of both financial information and data will almost certainly be indirect and will probably pass through the United States or institutions over which the U.S. government has substantial control. When they do, Washington will have the power to monitor the exchange and, if desired, stop it in its tracks—to stop, in other words, the Peruvian company and the Malaysian company from doing

business with each other. In fact, the United States could prevent many Peruvian and Malaysian companies from trading goods in general, largely cutting the countries off from the international economy.

Part of what undergirds this power is well known: much of the world's trade is conducted in dollars. The dollar is one of the few currencies that almost all major banks will accept, and certainly the most widely used one. As a result, the dollar is the currency that many companies must use if they want to do international business. There is no real market in which the Peruvian company could exchange Peruvian soles for Malaysian ringgit, so local banks facilitating that trade will normally use soles to buy U.S. dollars and then use dollars

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to buy ringgit. To do so, however, the banks must have access to the U.S. financial system and must follow rules laid out by Washington. But there is another, lesser-known reason why the United States commands overwhelming economic power. Most of the world's fiber-optic cables, which carry data and messages around the planet, travel through the United States. And where these cables make U.S. landfall, Washington can and does monitor their traffic—basically making a record of every data packet that allows the National Security Agency to see the data. The United States can therefore easily spy on what almost every business, and every other country, is doing. It can determine when its competitors are threatening its interests and issue meaningful sanctions in response.

Washington's spying and sanctioning is the subject of *Underground Empire: How America Weaponized the World Economy*, by Henry Farrell and Abraham Newman. This revelatory book explains how Washington came to command such awesome power and the many ways it deploys this authority. Farrell and Newman detail how September 11 pushed the United States to begin using its empire and how its many constituent parts have come together to constrain both China and Russia. They show that although other states may not like Washington's networks, escaping them is extremely difficult.

The authors also demonstrate how, in the name of security, the United States has created a system that is often abused. "To protect America, Washington has slowly but surely

turned thriving economic networks into tools of domination," Farrell and Newman write. And as their book makes clear, the United States' efforts to dominate can cause tremendous damage. If Washington deploys its tools too often, it might prompt other countries to break up the current international order. The United States could push China to cut itself off from much of the world economy, slowing global growth. And Washington might use its authority to punish states and people that have done nothing wrong. Experts must therefore think about how to best constrain—if not quite contain—the United States' empire.

#### DATA AND DOLLARS

The United States' centrality in global finance and data transmission is not entirely unprecedented. The world's leading power has always had outsize control over the world's economy and communication networks. At the beginning of the twentieth century, for example, the British pound played a key role in many international transactions, and a plurality of all global submarine telegraph cables passed through London.

But 2023 is not 1901. Today's era is defined by what some economists call "hyperglobalization." The world is far more intertwined than it was a century ago. It is not just that global trade now makes up a larger share of economic activity than in the past; it is also that the complexity of international transactions is far greater than ever before. And the fact that so many of these transactions pass through banks and cables that the



United States controls gives Washington powers that no government in history has possessed.

Many lay observers, and quite a few professional commentators, imagine that this dominance affords the United States great economic advantages. But economists who have done the math generally do not believe that the dollar's special position makes more than a marginal contribution to the United States' real income—the amount of money Americans make after adjusting for inflation. There do not appear to be any studies of the economic benefits that come from hosting fiber-optic cables, but those benefits, too, are likely to be small (especially because many of the profits that come from transporting data are probably booked in Ireland or other tax havens). But Farrell and Newman show that U.S. control of the world economy's chokepoints does give Washington new ways to project political influence—and that it has seized on them.

The United States began capitalizing on these powers, the authors argue, after the 9/11 attacks in 2001. Before, American officials had been inhibited in exercising U.S. economic might by fears of overreach. But officials quickly realized they could have been following Osama bin Laden's financial transactions in a way that would have revealed the terrorist's plans and that they could have used their financial influence to disrupt al Qaeda's operations. And so, after the terrorist group struck, Washington put its concerns aside. It expanded both its financial surveillance and its use of sanctions.

For policymakers, exercising these powers proved easy. The dollars used in international transactions are not bundles of cash but bank deposits, and almost every bank that keeps such deposits must have a foot in the U.S. financial system in case it needs access to the Federal Reserve. As a result, banks around the world try to stay in the good graces of U.S. officials, lest Washington decide to cut them off. The story of Carrie Lam, the China-appointed former chief executive of Hong Kong, provides a case in point. As Farrell and Newman write, after the United States sanctioned Lam for human rights violations, she was unable to get a bank account anywhere, even at a Chinese bank. Instead, she had to be paid in cash, keeping piles of money at her official residence.

A less picturesque—but far more consequential—example of U.S. power is the way Washington co-opted the Society for Worldwide Interbank Financial Telecommunication, better known as SWIFT. The organization serves as the messaging system through which major international financial transactions are made. Notably, it is based in Belgium, not the United States. But because so many of the institutions behind it rely on U.S. government goodwill, it began sharing much of its data with the United States after the 9/11 attacks, providing a Rosetta stone that Washington could use to track financial transactions worldwide. In 2012, the U.S. government was able to use SWIFT and its own financial power to effectively cut Iran out of the world financial system, and to brutal



effect. After the sanctions, Iran's economy stagnated, and inflation in the country reached roughly 40 percent. Eventually, Tehran agreed to cut back its nuclear programs in exchange for relief. (In 2018, U.S. President Donald Trump scuttled the deal, but that's another story.)

That is the kind of power the United States gets from its control over financial chokepoints. But as Farrell and Newman show, what the United States can do with its control over data chokepoints is arguably more remarkable. At many, or perhaps all, of the places where fiber-optic cables enter American territory, the U.S. government has installed "splitters": prisms that divide the beams of light carrying information into two streams. One stream goes on to the intended recipients, but the other goes to the National Security Administration, which then uses high-powered computation to analyze the data. As a result, the United States can monitor almost all international communication. Santa may not know whether you've been bad or good, but the NSA probably does.

Other countries, of course, can and do spy on the United States. China, in particular, works hard to intercept advanced American technology. But no one does spying better than Washington, and despite Beijing's best efforts, China has not been able to steal enough secrets to match U.S. prowess. As Farrell and Newman point out, the United States still dominates crucial intellectual property—not so much the software that runs current semiconductor chips, but the software used to design complex new semi-

conductors, which is still an essential market. "U.S. intellectual property," the authors declare, winds "through the entire semiconductor production chain, like a fisherman's longline with barbed and baited hooks."

#### ALL THAT POWER

There are many illustrative examples of Washington weaponizing its underground empire, including the sanctioning of both Lam and Iran. But the one that may best show how all three elements of the empire—control over dollars, control over information, and control of intellectual property—come together is the astonishingly successful takedown of the Chinese company Huawei.

Just a few years ago, American officials and foreign policy elites were in a panic about Huawei. The company, which has close ties to the Chinese government, seemed poised to supply 5G equipment to much of the planet, and U.S. officials worried this spread would effectively give China the power to eavesdrop on the rest of the world—just as the United States has done.

So Washington used its interlocking empire to cut Huawei off at the knees. First, according to Farrell and Newman, the United States learned that Huawei had been dealing surreptitiously with Iran—and therefore violating U.S. sanctions. Then, it was able to use its special access to information on international bank data to produce evidence that the company and its chief financial officer, Meng Wanzhou (who also happened to be the founder's daughter), had committed bank fraud by falsely telling the British financial services company



HSBC that her company was not doing business with Iran. Canadian authorities, acting on a U.S. request, arrested her as she was traveling through Vancouver in December 2018. The U.S. Department of Justice charged both Huawei and Meng with wire fraud and a number of other crimes, and the United States used restrictions on the export of U.S. technology to pressure Taiwan Semiconductor Manufacturing Company, which supplies many crucial semiconductors, into cutting off Huawei's access to the most advanced chips. Beijing, meanwhile, detained two Canadians in China and essentially held them hostage.

After spending almost three years under house arrest in Canada, Meng entered into an agreement in which she admitted to many of the charges and was allowed to return to China; the Chinese government then released the Canadians. But by that point, Huawei was a much-diminished force, and the prospects for Chinese dominance of 5G had vanished—at least in the near term. The United States had quietly waged a postmodern war on China, and won.

At first glance, this victory could seem like unambiguously good news. Washington, after all, limited the technological reach of a dictatorial regime without having to use force. The United States' ability to cut North Korea off from much of the world financial system, or its successful sanctioning of Russia's central bank, might also prompt rightful cheers. It is hard to be outraged by the United States' use of hidden powers to block global terrorism, break up drug cartels, or hobble Russian

President Vladimir Putin's attempt to subjugate Ukraine.

Yet there are clearly risks in the exercise of these powers. Farrell and Newman, for their part, are worried about the possibility of overreach. If the United States uses its economic power too freely, they write, it could undermine the basis of that power. For example, if the United States weaponizes the dollar against too many countries, they might successfully band together and adopt alternative methods of international payment. If countries become deeply worried about U.S. spying, they could lay fiber-optic cables that bypass the United States. And if Washington puts too many restrictions on American exports, foreign firms might turn away from U.S. technology. For example, Chinese designed software may not be a match for the United States', but it is not too hard to imagine some regimes accepting inferior quality as the price for getting out from under Washington's thumb.

So far, none of this has happened. Despite endless breathless commentary about the potential demise of the dollar, the currency reigns supreme. In fact, as Farrell and Newman write, the dollar endured despite the "vicious stupidity" of the Trump administration. Laying fiber-optic cables that bypass the United States might be easier to accomplish, and people who are not technologists do not really know how easily U.S. software can be replaced. Still, Washington's hidden power seems remarkably durable.

But that does not mean there are no limits to how far the United States can push. Farrell and Newman worry



that China, which is an economic superpower in its own right, might decide to “defend itself by going dark”: cutting off international financial and information linkages to the wider world (which it already does to some extent). Such an action would have significant economic costs for everyone. It would degrade China’s role as the workshop of the world, which—in its own way—might be as hard to replace as the global role of the U.S. dollar.

There is also the obvious risk that countries that lose wars without gun smoke could lash out by waging wars with gun smoke. As Farrell and Newman write, the weaponization of trade is one of the factors that contributed to World War II: Germany and Japan both engaged in wars of conquest, in part, to secure access to raw materials they feared might be cut off by international sanctions. The nightmare scenario for today would be if China, fearful that it is being marginalized, were to strike back by invading Taiwan, which plays a key role in the global semiconductor industry.

But even if the United States does not overuse its underground empire or provoke hot conflict, there is still a major reason to worry about Washington’s dramatic economic and data power: the United States will not always be in the right. Washington has made plenty of unethical foreign policy decisions, and it could use its control over global chokepoints to harm people, companies, and states that should not come under fire. Trump, for example, slapped tariffs on Canada and Europe. It is not hard to imagine that if he were to win a sec-

ond term, he would try to hobble the economies of European states critical of his foreign or even domestic policies. One does not have to see everything through the lens of the Iraq war or insist that the United States somehow forced Putin to invade Ukraine to be worried about the underground empire’s lack of accountability.

#### RULES OF THE ROAD

Farrell and Newman do not propose policies that could mitigate these risks, other than suggesting that the underground empire deserves the same kind of sophisticated thinking once devoted to nuclear rivalries. Still, by highlighting how the nature of global power has changed, the book makes an enormous contribution to the way analysts think about influence. And policymakers and researchers should begin formulating plans for fixing these problems.

One possible resolution would be to create international rules for the exploitation of economic chokepoints, along the lines of the rules that have constrained tariffs and other protectionist measures since the creation of the General Agreement on Tariffs and Trade, in 1947. As every trade economist knows, the GATT (and the World Trade Organization that grew out of it) does more than just protect nations from each other. It protects them from their own bad instincts.

It will be hard to do something similar with newer forms of economic power. But to keep the world safe, experts should try to come up with regulations that have the same moderating effect. The stakes are too high to let these challenges go unaddressed. 🌐



# The Price of a Passport

## What Is Lost When Citizenship Is Sold

ATOSSA ARAXIA ABRAHAMIAN

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*The Golden Passport: Global Mobility for Millionaires*  
BY KRISTIN SURAK. Harvard University Press, 2023, 336 pp.

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In October 2023, an investigation by the Organized Crime and Corruption Reporting Network revealed that a former Afghan intelligence chief accused of human rights violations, Saddam Hussein's top nuclear scientist, and a high-ranking colonel under the Libyan despot Muammar al-Qaddafi all had something curious in common: they were compatriots of the Commonwealth of Dominica. These men had not fallen in love with the Caribbean island on a beach vacation or expatriated there for a simpler life. They are what are known as "economic citizens": people who have legally purchased a second nationality from a place with which they have few, if any, ties.

The industry of citizenship by investment—the legal, state-sanctioned sale of passports to non-nationals—is booming. Today, more than a dozen

countries have entered the business of naturalizing wealthy foreigners for no other reason than to fill state coffers. These programs, which can boost a country's GDP, have encouraged tourism, reduced national debts, helped rebuild infrastructure after natural disasters, and kept schools and pension plans afloat. Particularly for very small countries, the sale of citizenship is an economic tool, a branding exercise, a jobs program, and a foreign policy crutch rolled into one. For their wealthy clients, it is a way to navigate the world with greater ease: to bank and transact under a different flag, to travel with fewer restrictions, and, perhaps more sympathetically, to define themselves by something other than the accident of their birth in a country with a tarnished reputation or one whose citizens face many restrictions in traveling abroad.

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But selling citizenship represents, to paraphrase the Harvard ethicist Michael Sandel, the degradation of a democratic ideal—the cheapening of an invaluable public good. It also sounds an awful lot like the subplot of a Graham Greene novel. Jho Low, the Malaysian mastermind behind an enormous embezzlement scandal related to Malaysia’s sovereign wealth fund, was found in 2021 to have acquired the citizenship of both Cyprus and St. Kitts and Nevis, presumably with the hope that it would help him dodge the law. He had spent millions of dollars on fees and investments into special programs that awarded him these passports. Comoros, which sold close to 50,000 passports over the course of a decade in a convoluted scheme to document large numbers of stateless Emiratis, in 2022 sentenced its former president to life in prison for his role in the affair, charging him with “high treason.” The recent report about Dominica from the Organized Crime and Corruption Reporting Network identifies two Russian billionaires now on the U.S. sanctions list and a Jordanian father-son duo who would end up being charged with embezzling tens of millions of dollars as Dominican investor-citizens.

Citizenship may be a deeply meaningful notion to many people, but it is also a commodity that can be bought and sold. And according to *The Golden Passport*, a new book by the sociologist Kristin Surak, its commoditization is only set to grow. The market for passports has, in recent years, become almost institutional thanks to years of lobbying, standardization, and professionalization.

Nationalists may point to the emergence of this industry as yet more proof

of the nefariousness of so-called globalist elites bent on skipping from one privileged island of wealth to another—in the process eroding the very ideas of citizenship and nationhood. And yet the growing popularity of citizenship-by-investment schemes (sometimes among public officials themselves) is a reflection not of collapsing borders but of hardening ones. The wealthy buy passports to escape the arbitrariness of their birth and navigate a world in which barriers to movement are getting ever higher. The industry that serves them capitalizes on these very inequalities: the massive economic rifts between the rich and the poor, and the politics that make an Afghan passport, for instance, so much less useful than a Singaporean one.

#### NATIONALITY FOR SALE

People have probably bought passports for as long as there have been passports, which have existed in some form since the Mongol empire but were not used to document ordinary people en masse until the twentieth century. Informal, temporary, or fly-by-night passport-selling schemes have come and gone over the years, often in step with war, unrest, and political uncertainty. In the 1980s, when the British decided to eventually relinquish Hong Kong to China, the sale of “exit” passports from island countries in the Pacific and the Caribbean boomed among wealthy Hong Kongers who feared they would not be able to escape life under communist rule. So, too, did the unofficial sale of documents at foreign embassies to stateless people in the Gulf in the 1990s.

These citizenships were not real in the sense that they represented a meaningful link to a place, or fellow feeling



with its people. Their sale also tended to involve a degree of unlawfulness: more than one official was arrested for bending (or simply making up) the rules. But for people desperate for mobility, recognition, and peace of mind, such documents did the trick, at least for a while.

According to Surak, the market for citizenship began to formalize in 2006, when a Swiss businessman named Christian Kalin advised the island country of St. Kitts and Nevis to make the most of an old law it had on the books offering the islands' citizenship in exchange for an "economic contribution." (The cost has varied; today, it is \$250,000 or a \$400,000 investment in real estate.) Kalin, who had worked with ultrarich clients in Switzerland, believed this demographic could be sold on the appeal of second passports as a Plan B—an alternate citizenship to ease travel, open bank accounts and companies, and find shelter in case of political instability at home.

In exchange for the right to market the program, Surak notes, Kalin's firm spruced up the application process. Kalin and his colleagues traveled the world to bring in clients, in the process lending the business a veneer of professionalism. St. Kitts and Nevis was, incidentally, in the market for a savior: its economy was in bad shape after its sugar industry went into decline in the 1980s. The quarter million dollars that the consultant proposed the government charge each applicant was nothing to sniff at, and it certainly couldn't hurt to have more wealthy Kittitians and Nevisians who could invest in the country and tell their rich friends about the islands.

It was a gamble, but the payoff was ultimately huge. Around 40 percent of

St. Kitts and Nevis's GDP now comes from investor-citizens buying real estate in the country and making cash donations to a state development fund, even though they rarely set foot there at all. Before long, St. Kitts's Caribbean neighbors got on the bandwagon: Antigua and Barbuda, Dominica, and Grenada all either adopted or revitalized regulations allowing for much the same thing. Vanuatu, in the Pacific, launched a program in 2017, appealing mainly to applicants from China and the Middle East. By most measures, these programs have been lucrative for the governments that run them. St. Kitts and Nevis has been able to drastically reduce its sovereign debt, winning the endorsement of the International Monetary Fund for ingeniously taming the country's budget. One can imagine a future in which citizenship by investment has a place alongside the development of special economic zones, privatization, trade liberalization, and other structural adjustments long prescribed by international lenders.

Europe, too, has been home to several citizenship-by-investment schemes. In 2014, Malta followed the example of Cyprus, which offered foreigners golden passports until a corruption scandal brought the program down in 2020. Malta—which also sought advice from Kalin's firm—asked prospective clients for donations and investments totaling \$1.2 million. But a Cypriot or Maltese passport did not just grant its buyer access to those island countries. By obtaining citizenship from Cyprus or Malta, investors gained the right to live and work in the entire European Union.

Since the EU imagines European citizenship to be derivative of national citizenship and, therefore, the prerogative



of member states, individual countries are left to determine their own processes for naturalizing citizens. This means there is little that Brussels can do to stop the likes of Cyprus and Malta from reaping the rewards of this trade: a boon for the smaller states that need the money and a nuisance for lawmakers who have a somewhat loftier view of what it means to be European.

#### BIG PASSPORT

As more countries adopted such policies, a \$4 billion assembly line of consultants, lawyers, bankers, wealth planners, real estate developers, marketers, background checkers, even specialized paperwork filers stepped in to serve a growing number of clients, countries, and brokers. The industry, conscious of its unseemly connotations and the objections of nationalists who see citizenship as something priceless, also began spending a lot on polishing its image: the two main competing firms created indices of the best and worst passports, formed trade groups to regulate their own practices, and took out ads in the business press and airline magazines to attract clients. They were not peddling passports, their literature insisted; they were making global citizens.

Surak begins her book at an absurd gala in Podgorica, the capital of Montenegro, in 2017. The evening was organized by a firm that was helping Montenegro market its passport to the global elite. (It has since ended the program.) The organizers spared no expense on the lavish event, which masqueraded as a ceremony honoring the recipient of that year's Global Citizen Award. I attended many such events while researching my

2015 book on citizenship by investment, and they all follow the same pattern: speakers make the requisite displays of solidarity with refugees, express passing concern for climate change, and reiterate the vapid insistence that we are all bound by our common humanity. (My favorite example of this was a chorus of children singing "We Are the World" at a 2014 event in Toronto.)

Since my book came out, however, it appears that the passport brokers have leveled up. The speakers Surak saw in Montenegro would feature on the A-list of any globalist gala. Former UN Secretary-General Kofi Annan launched the evening via video. Cherie Blair, a British lawyer and the wife of former British Prime Minister Tony Blair, talked about women's rights. Jeanette Kagame, the Rwandan first lady, praised entrepreneurial mothers. Wesley Clark, the American general who ran NATO's war in Kosovo in the late 1990s, made an appearance on stage. The actor Robert de Niro spent his speech railing against then U.S. President Donald Trump and talking about his own work rebuilding Barbuda, where he is an economic citizen. The president of Antigua and Barbuda spoke, too, adding to a chorus of citizenship-by-investment boosters outlining existing or future programs in Armenia, Moldova, and Montenegro. The presence of such illustrious individuals in proximity to the passport industry is revelatory. If there was ever a stigma attached to selling passports, or even a vague perception that it is wrong to buy one, those days are quickly fading.

The sale of passports is also a significant geopolitical development. Small and island states—some of the most





The price is right: protesting the sale of passports in Vittoriosa, Malta, March 2019

threatened by rising sea levels and climate change—are the main protagonists here, and they see citizenship by investment as a way of securing their economic futures, even if it runs against the wishes of international law enforcement and blocs such as the EU. Their defiance is striking: many of these countries are also former colonies, and by commercializing their passports, they are squeezing every last drop of value and utility out of their postcolonial independence.

This all makes Surak's book required reading for policymakers working with small countries. But it is also a fascinating study of how people—and their capital—seek to move around a world that is at once hugely interconnected and riven by inequities. With fieldwork spanning 14 countries from the United Arab Emirates to Vanuatu and interviews with dozens of clients, practitioners, and government officials,

*The Golden Passport* is a definitive, detailed, and unusually nuanced account of the industry.

The book is full of surprising insights and new information. For instance, the country that naturalizes the most investors today is Turkey, which even at the height of the COVID-19 pandemic was taking in more than 1,000 applicants per month. Turkey also happens to be home to a disproportionate number of refugees, proving, according to Surak, that the imperatives of welcoming rich arrivals and poor arrivals “are not mutually exclusive.”

Surak's insights about the role of the United States are also novel. It does not sell citizenship outright, but for decades it has offered wealthy foreigners permanent residence through the EB-5 visa, a convoluted investment scheme that raises cash for developments as varied as ski slopes and public WiFi initiatives. This kind of program



is known in the industry as residence by investment, and it is an indirect way to become American: after holding a green card for five years, investors can apply for U.S. citizenship.

Surak notes that the United States tacitly supports citizenship by investment by serving as an “international partner” to several Caribbean programs—a vague role that essentially gives it the power to blacklist applicants it deems a security risk. (On a podcast, Surak compared its attitude to a parent watching a teenager smoking: “You think if you’re going to crack down on it, you might actually drive it into something harder, but you just kind of want to monitor it to make sure it doesn’t go too far off tracks.”)

In this way, citizenship-by-investment programs in the Caribbean give the United States more control over the activities of its island neighbors, not less. Surak goes so far as to argue that the industry would not be what it is today without U.S. rules, restrictions, and stipulations. Americans also increasingly number among the industry’s clients. The COVID-19 pandemic pushed more Westerners to explore second passports, she writes, because they were so unused to being told where they could and could not go.

Although wealthy people have many reasons to want another passport, Surak finds that such citizenship purchasers are not primarily motivated by the desire to avoid taxes. The industry helps the wealthy overcome the accident of their birth, which can come with visa restrictions, economic sanctions, and the more modest discomfort of being treated like a second-class millionaire. The rich, she notes, are less

interested in breaking the law than in making sure the law is in their corner. Unsurprisingly, she finds that the ability to cross borders tops the list of reasons why people obtain a second passport. Whether you are a paranoid tech founder building a bunker in New Zealand or an Iranian businessperson tired of being treated like a terrorist at every turn, a different passport can offer an escape from the inconveniences of a troublesome citizenship.

In a world of tightening borders, buying the passport of a particular country can be a roundabout way to a more distant destination. Chinese and Indian nationals seeking to live and work in the United States may have to wait decades for a visa, but a passport from the Caribbean nation of Grenada can offer a shortcut. In September, an industry newsletter reported that 90 percent of applicants in 2023 to Grenada’s citizenship-by-investment scheme were Russian nationals, who were likely reacting to the isolation of their birth country and the growing repression there. A foreign passport will not magically remove an individual from a U.S. sanctions list. But being a citizen of Grenada can pave a path out from under Putinism for anyone who can afford it.

#### RED CARPETS AND HIGH WALLS

Surak is sensitive to both the glaring global inequality that makes this industry possible and the contradictions presented by its opponents. Nationalists of all political stripes contend that true belonging cannot carry a price tag; it is a status to be revered, not hawked. Internationalists and progressives object to the unfairness of



such programs, which offer citizenship and access to the already privileged, not those with the greatest need. The European Parliament, in particular, has come out strongly against the practice. (Surak speculates that this is a result of lobbying from a Maltese nationalist party that opposed Malta's Labour government, which was behind the scheme. Indeed, the EU has directed most of its ire at Malta, not Austria, Cyprus, and Montenegro, all of which have had similar offerings.)

At present, the European politicians have issued nonbinding notices, statements, and resolutions in an effort to stop the practice, but Surak believes that Brussels will eventually try to extend its jurisdiction over naturalization matters. In 2022, the European Parliament referred Malta's "golden passport" scheme to the European Court of Justice, observing that recent reforms—notably, suspending applications from Russian and Belarusian citizens—did not go far enough and that the practice "is not compatible with the principle of sincere cooperation enshrined in Article 4(3) of the Treaty on European Union, and with the concept of Union citizenship."

Beneath the predictable political posturing, the ethics of passport selling are complex. Of course, it is unjust that Libyan millionaires can waltz into Malta on a red carpet while their impoverished compatriots risk everything to cross the Mediterranean. Nothing illustrates the way borders exist for some and not others than these parallel experiences of immigration.

But these journeys are each a symptom of a much bigger problem. If these individuals enjoyed genuine freedom of

movement, were not routinely discriminated against on the basis of where they came from, and were guaranteed a modicum of rights, opportunities, and responsibilities regardless of where they lived, passport arbitrage would have no utility, and people would not have to risk their lives on leaky boats to improve their lot. To oppose citizenship by investment on nationalist grounds is to reinforce the logic that brought it about in the first place: the logic of categorizing people solely by where they come from.

To complain, as the European Parliament has for years, that outsiders should not have access to the bloc without residence requirements, language tests, or other displays of civic engagement is incoherent, Surak argues. After all, Americans with European ancestries routinely apply for citizenship by descent from European countries without facing the same pushback. Armies of expensive lawyers and ancestry researchers help secure citizenship for those who have little tangible connection to the country of their ancestors. To endorse murky ancestry claims over hard cash is not about fairness or civic participation. It is to endorse the blood-and-soil eternality of the nation—whether lawmakers in Brussels will admit it or not.

The system produced by citizenship-by-investment schemes is surely unfair. But any status or privilege assigned at birth is, by its very nature, arbitrary. To focus on the unique unfairness of the sale of passports without reckoning with citizenship's fundamental inequities is to miss the point. Surak's contribution is to convey these moral quandaries without losing sight of the world that made them. 🌐



# Washington's New Trade Consensus

## And What It Gets Wrong

BY GORDON H. HANSON

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*No Trade Is Free: Changing Course, Taking On China, and Helping America's Workers*

BY ROBERT LIGHTHIZER. Harper Collins, 2023, 384 pp.

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If the era of hyperglobalization started in 1995, with the creation of the World Trade Organization (WTO), its death throes began in early 2018, when U.S. President Donald Trump raised tariffs on U.S. imports of Chinese solar panels and washing machines. Those levies were followed by tit-for-tat increases in import duties between the two countries. By the end of 2019, the world's two largest economies were in open trade war. President Joe Biden has left Trump's tariffs largely intact, signaling that economic antagonism toward China enjoys bipartisan support and will remain the United States' position for the foreseeable future.

At peak globalization, around 2015, China and the United States were linked by extensive flows of trade,

capital, and labor. Supply chains spanning dozens of countries produced powerful electronics. Cross-border listings on financial exchanges made it easy to build globally diversified stock portfolios. International competition for talent clustered the best and brightest minds in superstar cities to foster the creation of yet more technological wonders. Now, that world of largely unfettered exchange sits on shaky ground. Muscular government intervention is fashionable on both the left and the right in the United States, to the consternation of not just China but also U.S. partners. Leaders in Japan, South Korea, Taiwan, and Europe understandably worry, for instance, that U.S. subsidies to the electric vehicle and semiconductor industries will damage their economies.

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The energetic official who led the United States down this protectionist path was Robert Lighthizer, the U.S. trade representative for Trump's entire presidential term. As the architect of the U.S.-Chinese trade war, Lighthizer sought to sideline the WTO and decouple the U.S. and Chinese economies. The lasting impact of his efforts, for better or worse, makes him the most consequential U.S. trade representative of the last 30 years.

Because of his association with Trump, some observers group Lighthizer with officials who would make isolationism a core GOP tenet. That would be a mistake. To be sure, Lighthizer is no establishment Republican. He fought, and won, policy battles with Trump's treasury secretary, Steven Mnuchin, and other GOP traditionalists who favored free trade. Yet he also sidelined Trump's economic adviser, Peter Navarro, who represented the nihilistic burn-it-all-down policy of Steve Bannon, the president's former chief strategist. Lighthizer's stance on U.S. trade policy is at once aggressive, unilateral, and pragmatic—a vision laid out in his captivating, if at times exasperating, new book, *No Trade Is Free*.

Lighthizer provides insight especially into how future U.S. presidents may balance the tricky trade-policy trilemma of confronting China, improving the lot of American workers, and maintaining U.S. alliances. He gives a clear-eyed account of how China did not live up to its trade promises, offers practical lessons in how a steely-eyed realist negotiates trade deals, and suggests a plan for U.S. trade policy that may have a better chance of being

implemented than those of most current U.S. presidential candidates. But the book also takes some jaw-dropping liberties in interpreting the history of U.S. trade policy, imbues manufacturing with near mystical economic properties, and sees trade deficits as the only metric that matters for evaluating trade agreements.

And yet Lighthizer has the political wind at his back. Many of his views, including some particularly incorrect ones, are increasingly popular across the board in the United States. His positions appeal to the right by embodying Trump's "America first" bravado and realist aggression, and to the left by embracing Biden's industrial policy and environmental protections. But Lighthizer's book is a reminder of the shaky assumptions that underlie the new trade consensus. In fact, the United States has lost its comparative advantage in manufacturing basic goods, and so recovering the twentieth-century heyday of American manufacturing will prove impossible. If Lighthizer's prescriptions do become canonical, the United States will still fail to resuscitate its factories but will do considerable damage to its international relationships in the process.

#### TRADE SCHOOL

Lighthizer grew up in the Rust Belt in Ohio, an origin story he invokes to explain his belief in the importance of factories, manufacturing, and blue-collar life—and his antipathy to the forces that devastated American manufacturing. After joining the white-collar world of law, he entered government in 1983 as deputy trade



representative under President Ronald Reagan. In that role, Lighthizer threatened other countries, including Japan, with tariffs to reduce steel exports to the United States. He returned to practicing law and represented U.S. steel companies, filing lawsuits on their behalf that claimed they suffered from the unfair practices of foreign firms. By the 1990s, when much of the Republican Party began to embrace free trade, Lighthizer remained steadfast in his defense of domestic producers and would continue to support this cause through decades of work as an international trade lawyer, making him a natural candidate for Trump's trade representative. In that role, he sought to rebalance the United States' trade relationships by levying tariffs (notably on China) and hamstringing the WTO by blocking the appointment of the organization's appellate judges. In his stints under both Reagan and Trump, he sought to forge a trade policy that shrank the trade deficit and protected domestic manufacturing.

Lighthizer grounds his vision of trade policy in the *Report on the Subject of Manufactures*, a document that Alexander Hamilton, the first U.S. secretary of the treasury, presented to Congress in 1791. Hamilton believed that industrialization was essential for U.S. economic vitality and saw import tariffs as necessary to energize the U.S. manufacturing sector, which was still nascent at the time. The job of the U.S. government, Lighthizer maintains, is to leverage American power to make trade deals on the most favorable terms possible and to use trade policy to fortify U.S. manufacturing, on which national prosperity

depends. Lighthizer notably embellishes Hamilton by defining favorable trade deals as ones that shrink the U.S. trade deficit. Hamilton would not have defined them that way. In his day, the United States tracked the flow of gold and silver in and out of the country but not the overall trade balance. Instead, the first U.S. treasury secretary focused on how trade policy would affect U.S. economic growth in the long run, a metric far superior to Lighthizer's.

Predictably, some of Lighthizer's analysis is rather partisan. He concludes that Reagan's trade deals were good, whereas President Bill Clinton's, such as the North American Free Trade Agreement (NAFTA), were bad. (Lighthizer worked for Bob Dole, Clinton's failed challenger in the 1996 presidential election.) Yet Lighthizer is also something of an iconoclast. He praises President Barack Obama for taking on China, recounts the long-lasting friendship he developed with stalwart Democrat and AFL-CIO head Richard Trumka, and advocates a softer stance on Japan than the one he held in the 1980s. He now recognizes that through decades of investment in the United States, Japanese companies have become major employers of American workers. As Trump's trade representative, he even sought (unsuccessfully) to win Japan's support in punishing China for its unfair trade practices.

In Lighthizer's telling, U.S. trade policy succeeds when it favors manufacturing and allows for unilateral action—such as imposing punitive tariffs on other countries without first going through the WTO or getting U.S.



allies on board—and falters when it lets imports grow unabated. He sees the high points in U.S. economic history as the period from 1861 to 1932 when Republicans (mostly) kept tariffs elevated, to the benefit of the industrial North in the United States; the sky-high, bilateral Smoot-Hawley tariffs of 1930; the gradualist trade liberalization from 1947 to 1986 under the auspices of the General Agreement on Trade and Tariffs (GATT), the WTO's predecessor; and Reagan's efforts in the 1980s to limit imports of cars and steel. Low points, according to Lighthizer, include the period of 1830 to 1860, when Democrats, beholden to the agricultural South, reduced import tariffs; and the disastrous creation of the WTO and NAFTA in the 1990s. Lighthizer disingenuously blames Clinton for the WTO, writing that the Democratic president abandoned "prudent trade policies" and instead placed "trust in an international body," referring to the WTO. He bizarrely suggests that the United States came to reject a Hamiltonian orientation toward trade policy only in 1995. In truth, the process of creating the WTO began with the Uruguay Round of the GATT, which started in 1986 under Reagan, and NAFTA negotiations were initiated in 1990 by President George H. W. Bush. The era of hyperglobalization was a genuinely bipartisan creation.

#### MADE IN AMERICA?

Lighthizer confers special importance to manufacturing and the making of physical stuff. As he sees it, "Prosperity comes from the agriculture, manufacturing, and mining (including oil production) industries." His reasoning is

in part moral, because workers derive a sense of dignity from making tangible goods, and in part material, in that manufacturing offers a path to high wages for American workers.

Consider the moral reasoning first. Lighthizer traces his idealization of manufacturing to his childhood on the shores of Lake Erie, where ferry boats helped deliver ore from Minnesota's iron range to blast furnaces in Pennsylvania. (He spends less time on how his decades of representing U.S. steel companies may have contributed to his fondness for manufacturing.) He looks warmly at the early industrial supply chain that paid respectable incomes to miners, railroad workers, and iron smelters. On the dignity of work, Lighthizer cites Arthur Brooks and Oren Cass, thinkers on the American right. But he just as easily could have mentioned the political theorist Hannah Arendt or the sociologist William Julius Wilson, scholars associated with the left. The claim that honest work builds self-worth and strengthens community would draw nods from many quarters.

His reasoning about the material gains from manufacturing is also legitimate. Economists once thought that market wages, when measured properly, did not differ much between industries except to compensate for the risks of the job or other unpleasantness. Because the going wage reflects the price of skill, the more skill a worker has, the higher her wage, whichever line of work she takes up. Decades of research have overturned such a view. More granular data reveal that, accounting for individual characteristics, including age, education, gender, race, and ethnicity, some industries pay their workers more than





New tariff in town: Lighthizer and Trump imposing duties at the White House, Washington, D.C., January 2018

others do, regardless of whether their workers are more skilled. Manufacturing offers many of the choicest jobs. The largest industrial firms frequently have a commanding presence in their respective markets, allowing them, often with a push from unions, to share some of their profits with workers in the form of higher compensation. Out of 20 major sectors, the pay in manufacturing ranks fourth, behind information technology and ahead of professional services, such as accounting and advertising. When manufacturing workers lose their jobs—whether the cause is imports, robots, or the energy transition—they tend to suffer a permanent decline in earnings relative to those who keep their positions. When manufacturing jobs disappear en masse, as when factories close, entire regions suffer. My own research shows how import competition has, in the long

run, hurt U.S. factory workers and their communities.

According to Lighthizer, the United States should restrict imports to stem the loss of manufacturing jobs. He pursued this strategy under Reagan. When faced with surging imports of Japanese cars in the 1980s, the administration threatened trade restrictions. Under Trump, Lighthizer oversaw a 25 percent levy on most Chinese goods. Research indicates that both these measures failed. Japan voluntarily restrained itself from exporting cars to the United States for fear that Washington would impose duties or quotas. As a result, U.S. automakers temporarily enjoyed an increase in profits, but American consumers had to contend with higher car prices, causing real incomes to decline. And the U.S. government missed out on tariff revenues because Japan restrained its car exports



merely at the threat of trade restrictions. Similarly, Trump's tariffs on China did not affect employment in U.S. manufacturing hubs. For some goods, U.S. importers have been able to find alternative sources of supply from countries such as Vietnam; for other goods, the comparative advantage of American manufacturers is so weak that even a 25 percent tariff still leaves China as the cheapest option. Tariffs did, however, raise prices for U.S. consumers.

Lighthizer's diagnosis of what ails American manufacturing is partially correct. Import competition has shuttered factories and eliminated jobs. But he misattributes job loss to shady trade deals rather than to the simple truth that the United States has little comparative advantage in most areas of manufacturing. As the U.S. labor force has become more educated and as U.S. technology companies, consulting firms, and other business service providers have established a commanding global presence in their industries, rising costs have priced American companies out of many manufacturing markets. The main solution he offers to counter job losses—import restrictions—does not work. Although the United States has done a poor job of helping workers and their communities recover from the decline of manufacturing, there is little reason to believe that import barriers would make their lives any better.

#### RUST BELT AND ROAD

At the heart of *No Trade Is Free* are misconceptions about the United States' industrial decline, which have led the author to rail against trade agreements. Lighthizer incorrectly asserts that

“there is very little actual benefit to the United States in the form of real efficiency gains from trade agreements.” He is resentful of the WTO in part because China has gotten away with flouting its trade commitments since joining the organization. Such a view is widely shared among economists. But another source of Lighthizer's pique lies in the WTO's governance. To him, the body's dispute settlement procedure, which was the primary innovation of the WTO over the GATT, is an abomination. It permits countries to file complaints about U.S. trade policy to a panel of experts, who then decide the case according to WTO rules. Appeals are heard by a separate panel of experts. According to Lighthizer, the way the WTO settles disputes is unacceptable because it constrains unilateral action and therefore dilutes the United States' bargaining power. His preferred approach would replicate how Reagan handled Japan: threaten punishing unilateral action and then negotiate bilaterally to arrive at a solution. He ignores the proliferation of antidumping trade duties—taxes on imported goods that have been unfairly subsidized—which are decidedly unilateral and run afoul of WTO rules. From 1999 to 2019, the United States took more antidumping actions than any other country.

Lighthizer also takes issue with NAFTA because it exposed the United States to a Mexican industrial policy allegedly based on suppressing wages, and because after it passed, the U.S.-Mexican trade deficit widened. Another one of his gripes with the deal is, presumably, its association with Clinton. Lighthizer ignores how NAFTA helped U.S. companies



build successful cross-border supply chains for automobiles, aerospace, and medical devices. With NAFTA, Mexico hoped not to be North America's sweatshop but to become the next South Korea. Lighthizer believes that the U.S.-Mexico-Canada Agreement, a deal that he negotiated to supplant NAFTA, helped the United States (and the U.S. auto industry specifically) by imposing more stringent rules on how the United States' neighbors pay their workers and source the inputs for traded goods. But such constraints restrict trade by operating like import tariffs. Whereas NAFTA aspired to be a free trade agreement, the USMCA does not. Here, at least, Lighthizer succeeded in implementing his vision.

Lighthizer seems uncomfortable with international specialization. Under the GATT, which he recalls fondly, the United States struck deals with countries whose average wages and industry structure were roughly similar to its own. The trade created by the GATT tended to be like for like, such as German chemicals for U.S. pharmaceuticals. But the WTO, with a large membership that includes many low-wage countries, has allowed global supply chains to be sliced ever more finely. The iPhone, for example, combines U.S. engineering; German, Japanese, South Korean, and Taiwanese components; and Chinese raw labor—a mixture of resources like those used in manufacturing furniture or household appliances. Although such specialization yields the gains in efficiency extolled by economics textbooks, it can profoundly disrupt local economies. Specializing more in some products, such as airplanes or software,

means pulling resources out of others, such as sofas and auto parts. The economist Adam Smith used the example of a pin factory to argue that when workers specialize, they produce more. Multilateral trade deals have allowed Smith's proverbial pin factory to go global, but they have caused job loss in U.S. manufacturing. Lighthizer holds it as an article of faith that factory jobs in the United States are worth saving.

#### BAD DEALS

Most likely to gall economists are the passages in which Lighthizer grades U.S. trade deals by their effect on the U.S. trade deficit. To win in a trade deal, in Lighthizer's eyes, the United States must export more and import less. He mistakenly asserts that the United States "could achieve balanced trade by imposing tariffs on imports." But this is true only in the extreme, when tariffs are raised so high that imports fall to zero. Consider the increases enacted during the U.S.-Chinese trade war, from 2018–19, when overall average U.S. tariffs on Chinese imports rose from four percent to 26 percent. Large jumps in tariffs do reduce imports. But they also tend to reduce exports, because factories then focus on making goods for domestic consumers, which necessarily requires pulling resources out of producing goods for foreign markets. Because tariff increases tend to reduce both imports and exports, they do not change the trade balance much. In fact, since Trump imposed tariffs, the U.S. trade deficit has expanded, not contracted.

Lighthizer is also wrong to blame the creation of the WTO for the rise



in the U.S. trade deficit in the 1990s and the following decade. The U.S. trade deficit did rise from 1998 to 2008, before dropping back to 1999 levels in the early 2010s. The cause was not the WTO, but the 1997 Asian financial crisis, after which Asian central banks substantially increased their holdings of foreign reserves, primarily by purchasing U.S. Treasury bills. That resulted in the United States having a bigger capital account surplus, meaning that more capital was flowing into the United States than was flowing out. The United States offset that account surplus by importing more than it exported. The U.S. trade balance was affected because U.S. Treasury bills remained the foreign asset of choice for central banks around the world, which pushed up the value of the dollar, making imports cheaper and U.S. exports more expensive, causing a large trade deficit. For better or worse, the U.S. dollar's status as the global reserve currency is largely what has kept the United States in a trade deficit.

Lighthizer also asserts, with little merit, that the only way for the United States to reduce its trade deficit is to export more manufactured goods, because trade in services is too small to matter. But that neglects the important fact that the United States runs a large surplus in its trade of services. In 2019, before the COVID-19 pandemic disrupted trade, U.S. exports of services were equal to 4.2 percent of GDP, compared with 7.7 percent for U.S. exports of goods. The U.S. trade surplus in services, at 1.4 percent of GDP, offset more than one-third of the U.S. trade deficit in goods, at

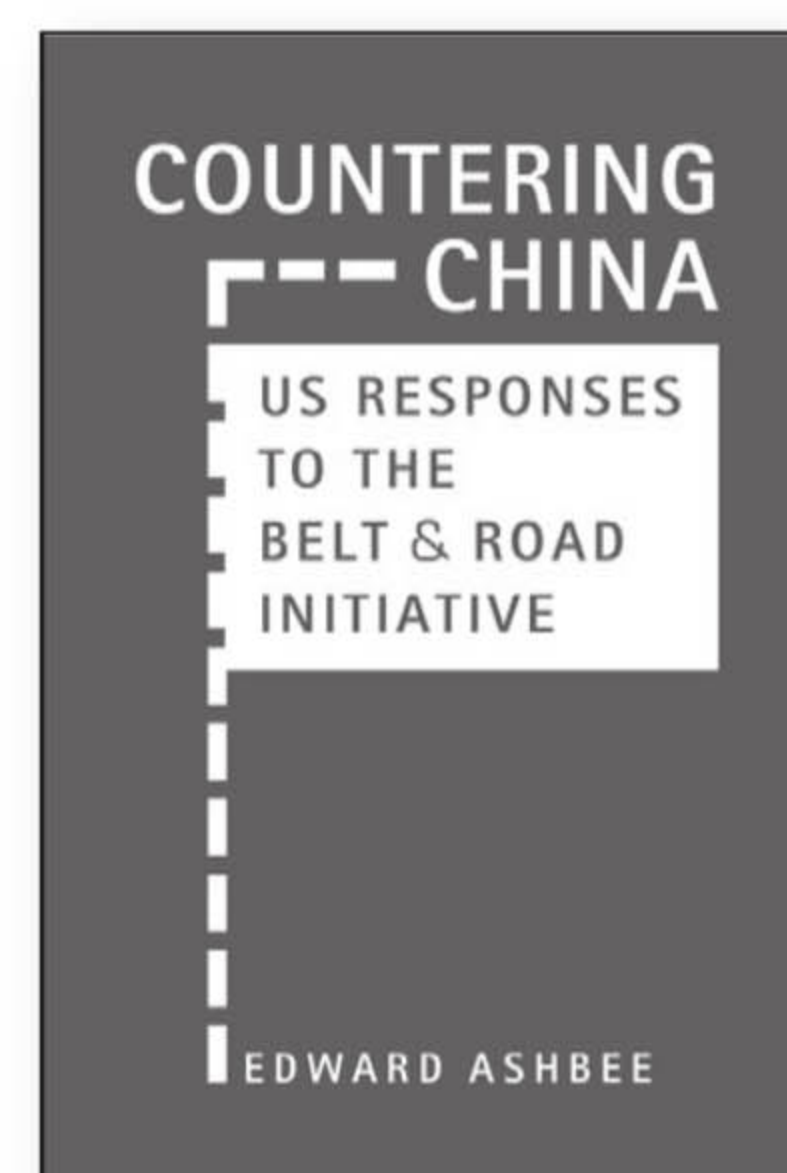


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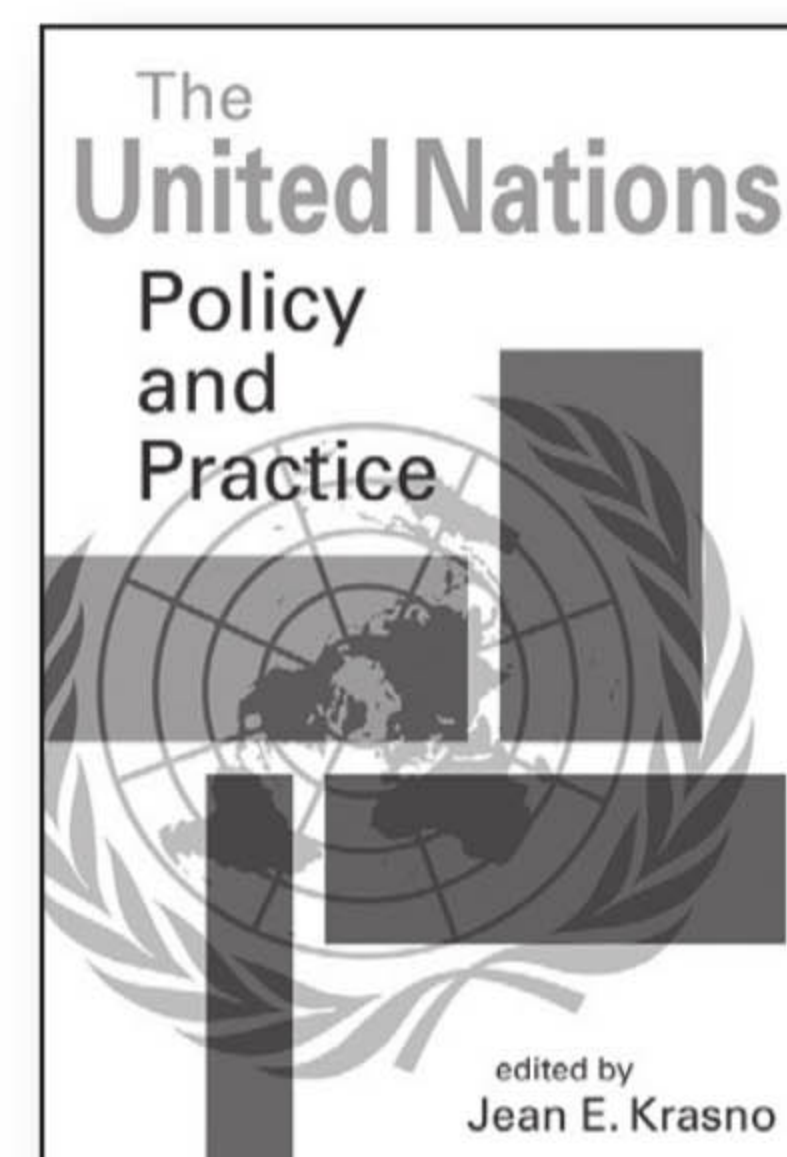
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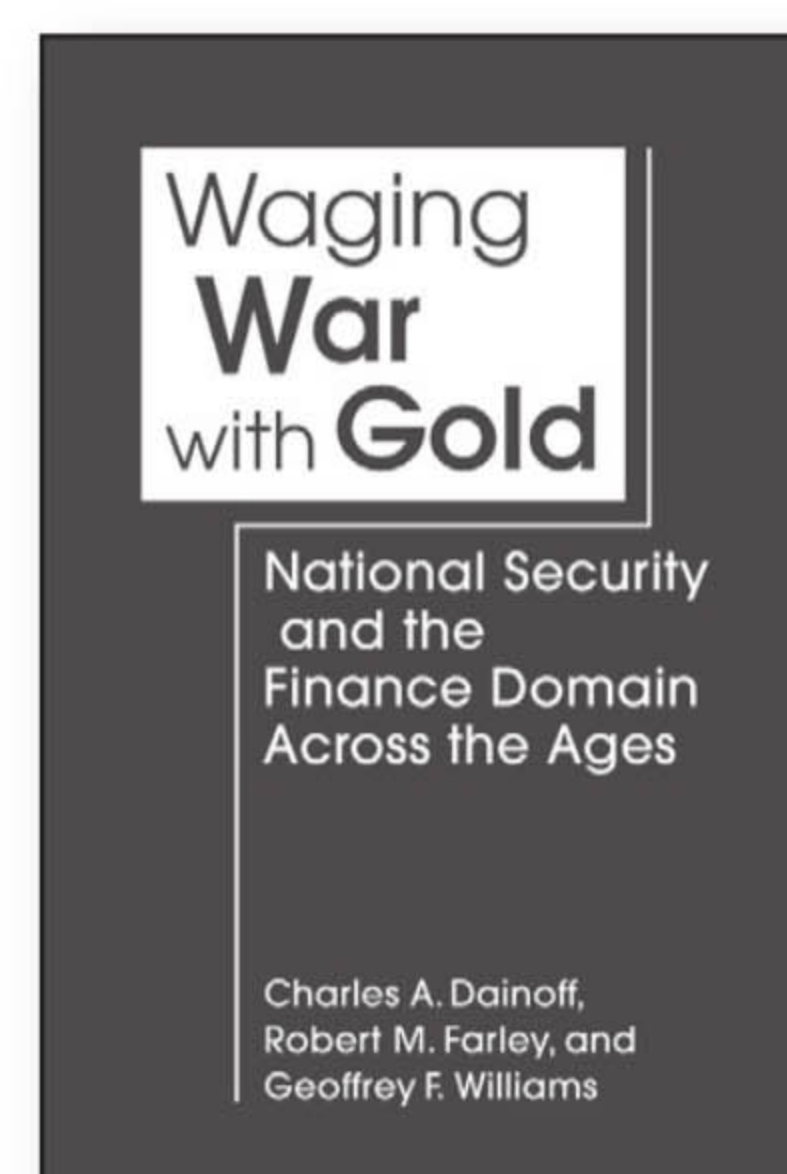
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4.1 percent of GDP. Moreover, U.S. service exports are even larger than they appear because U.S. technology companies use tax havens to park much of their foreign income from patents, trademarks, and other intellectual property. This income counts as exports of services, though it does not show up in the U.S. balance of payments until the income is repatriated, often decades later. With manufacturing accounting for less than nine percent of U.S. employment, most future U.S. job and export growth will likely be in services, not industry.

#### DUTIES CALL

Lighthizer fetishizes manufacturing, is intent on driving the U.S. and Chinese economies apart, and desires balanced trade above all else. He wants the United States to use higher tariffs more aggressively. He wants to amend import laws to include border adjustments—taxes that compensate for the different regulations between countries—for labor rights, environmental protections, and health and safety concerns. He wants to subsidize favored industries. And he wants to use the full might of the United States to bend other countries' trade policies to its liking.

This trade agenda—call it pragmatic unilateralism—combines the assertiveness of Trump with the industrial policy of Biden. It includes measures that environmentalists and labor activists have long advocated and calls for a realist application of U.S. power that would please traditional conservatives. Ten years ago, such a proposal would have drawn scant support. Today, it could be the sort of compromise trade plat-

form that Democrats and Republicans could accept, congressional gridlock notwithstanding. Because the two parties seem to be converging on economic policy, it is reasonable to think that Lighthizer's trade agenda may emerge organically from the alternation of power, with new presidents expanding on rather than overturning the trade and industrial policies of their predecessors. Because Biden has let Trump's tariffs on China stand, the trade policies of their administrations differ little. Biden seems to favor carrots, including subsidies for U.S. manufacturing through the Inflation Reduction Act and the CHIPS Act, whereas Trump prefers sticks—during his 2024 presidential campaign, he has floated a new ten percent levy on all U.S. imports. But both camps endorse policies that tilt the playing field in favor of U.S. industry. Hamilton would be pleased.

If Washington continues down the path of trade unilateralism, it will destabilize the global alliances and institutions that it spent seven decades building. That path, alluring as it may be to the antiglobalist right and the interventionist left, would almost certainly not restore U.S. manufacturing to its mid-twentieth-century greatness. Even if by the end of the decade, the United States could defy the odds and increase the share of workers employed in manufacturing by 50 percent, the sector would still count for just one in eight American jobs. However hard it may be for Lighthizer to accept, the future of American prosperity lies in the service sector, not in the furnaces and assembly lines of the past. 🌐



# Thinking Like a State

## What Makes Foreign Policy Rational?

### Essence of Decision Making

JOHN J. MEARSHEIMER  
AND SEBASTIAN ROSATO

Surprisingly, for an article assessing the prevalence of rationality in international politics (“Why Smart Leaders Do Stupid Things,” November/December 2023), Keren Yarhi-Milo’s review of our book, *How States Think*, never offers its own definition of the term. Yarhi-Milo does, however, argue that irrational leaders resort to mental shortcuts, otherwise known as heuristics, or succumb to their emotions. But even this description of irrationality is wanting because it focuses on individuals and says nothing about irrationality at the collective or state level.

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For us, rationality has both an individual and a collective dimension. Rational leaders are *homo theoreticus*. They employ credible theories about the workings of the international system and use them to understand their situation and determine how best to navigate it. Rational states aggregate the views of key policymakers through a deliberative process, one marked by vigorous and uninhibited debate.

Yarhi-Milo suggests that we think realism is the only credible theory out there. Thus, if leaders act on the basis of theories other than realism, they are not acting rationally. But that is simply wrong. Our book is not a brief for realism. We emphasize that there are several credible realist and liberal theories and that leaders acting on the basis of any of them are rational. Indeed, Yarhi-Milo notes that our inventory of credible theories includes the various liberal theories underpinning NATO expansion and the U.S. grand strategy of liberal hegemony, which sought to expand membership in international institutions, foster an open world economy, and spread democracy around the globe.

Ultimately, Yarhi-Milo commends our definition of rationality. In her opinion, our book proves that “leaders rely



on theories, both credible and not, to help them make decisions” and “proves the importance of process, something overlooked by scholars, in determining whether a leader or a state made a rational decision.” Moreover, she employs our definition to assess the rationality of British Prime Minister Neville Chamberlain’s decision to appease Nazi Germany at Munich in 1938, the George W. Bush administration’s decision to attack Iraq in 2003, and Russia’s decision to invade Ukraine in 2022. In essence, she recognizes that credible theories and deliberation are the hallmarks of rationality. That said, she disagrees with us about the facts of each of those cases, which leads to the vital issue of evidence.

#### ROUTINE RATIONALITY

To back our claim that states are routinely rational, we carefully examined ten cases of foreign policy decision-making—five grand-strategic decisions and five crisis decisions. They included imperial Germany’s strategy before World War I and its behavior during the July Crisis of 1914, Japan’s strategy before World War II and its decision to attack the United States at Pearl Harbor in 1941, and the United States’ decisions to expand NATO and pursue liberal hegemony after the Cold War.

All the states we examined were rational in the sense that their policymakers were guided by credible theories and that the choices made emerged from a deliberative decision-making process. This is a particularly significant finding given that each of the cases is commonly cited as an instance

of irrational decision-making and thus would usually be thought to undermine rather than support our claim that states tend to act rationally.

It is striking that Yarhi-Milo does not challenge our interpretation of any of these supporting cases. She does, however, maintain that we “ignore vast primary and archival data,” a flaw she contends undermines our claims. Given that she does not mention any specific evidence we fail to cite in our cases, it is hard to know what to make of this assertion. Regardless, we scrutinized a copious and sophisticated amount of secondary literature, which clearly reflects the primary record and supports our arguments.

This is not to say that all states are rational all the time. In fact, we identified four cases in which leaders were not rational, embracing noncredible theories and failing to deliberate. Yarhi-Milo challenges our interpretation of two of those cases. In the first, Chamberlain’s decision to appease Adolf Hitler at Munich, she simply misrepresents our argument. According to her, we argue that the United Kingdom appeased Germany based on the belief “that Hitler’s expansionist intentions were limited and that Berlin wanted to avoid war.” In fact, we explain that the British cabinet opted for appeasement because it had decided earlier—irrationally—to gut the British Army, leaving it unfit for a continental war.

In the second case, the U.S. decision to invade Iraq, Yarhi-Milo maintains that the Bush administration in fact based its policy on a credible theory and engaged in a deliberative process. “Bush and his team had real



conversations,” she writes, adding that “the administration followed a clear theory: that it needed a preventive war to stop Iraq from acquiring nuclear weapons.” She is wrong. Two of the key theories underpinning the decision to invade—forcible democracy promotion and the domino theory—had been discredited before 2003. And it is widely agreed that Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld shut down the deliberative process—for example, by refusing to engage in meaningful discussion about what would happen in Iraq and the surrounding countries after Baghdad fell and pressuring the intelligence community to support their views.

Yarhi-Milo clearly disagrees with our core claim that most states are rational most of the time. Rather, she maintains that there is abundant evidence of leaders resorting to heuristics, succumbing to their emotions, and failing to deliberate. One might have expected her to point to such evidence in our ten cases. After all, these decisions are often said to be exemplars of irrationality. But she does not. We are not surprised, since our analysis of those cases reveals no evidence of leaders employing mental shortcuts, being overwhelmed by their emotions, or failing to engage in robust and uninhibited debate.

In the absence of evidence from these cases of states acting irrationally, Yarhi-Milo points to the Russian decision to invade Ukraine as a clear example. She asserts that Russian President Vladimir Putin had an “emotional fixation” with controlling Ukraine and speculates that he may

have acted the way he did “because he perceived himself as being in a domain of losses, making him less risk averse.” But she provides no supporting evidence for either conclusion.

Yarhi-Milo also claims that Putin shut down the deliberative process in the run-up to war, writing, “Dissenting ministers and military officers were shown the door, went into exile, or disappeared.” There is no evidence to support this assertion: not a single minister or top general was fired, let alone forced to leave the country. Yarhi-Milo’s claim is also starkly at odds with what William Burns wrote in a 2008 message to the State Department when he was the U.S. ambassador to Moscow: “Ukrainian entry into NATO is the brightest of all redlines for the Russian elite (not just Putin).”

Yarhi-Milo seeks to buttress her claim about the ubiquity of irrationality by arguing that it is supported by an impressive body of literature “that draws from psychology and behavioral economics, uses primary source materials, and features experimental data on elites.” We do not dispute that many political psychologists, including Yarhi-Milo, have produced careful historical studies on how leaders think and especially on how they form their beliefs and how those beliefs affect their behavior. But those studies do not directly address the question on the table: whether states are rational in formulating grand strategy and navigating crises.

To be sure, some political psychologists do speak to the question at hand, but they merely rely on anecdotes. They do not offer systematic evidence



that mental shortcuts were at work even in their canonical cases of supposed irrationality: Germany's decision to go to war in 1914, the United Kingdom's decision to appease the Nazis at Munich, Germany's decision to invade the Soviet Union in 1941, and Japan's decision to attack Pearl Harbor that same year.

As for experimental data, political psychologists themselves acknowledge that there are fundamental differences between how subjects behave in low-stakes experiments and how leaders behave in the real world when faced with truly consequential decisions. Individuals answering survey questions for a small reward will act more blithely than state leaders making life-and-death choices for their country. Such data are a poor substitute for historical evidence.

#### THE INEVITABLE COMPETITION

Given her conclusions about the pervasiveness of irrationality, Yarhi-Milo unsurprisingly predicts that the United States and China will be irrational in their dealings with each other. Washington will use "mental shortcuts" to navigate the relationship, while Beijing's "mercurial leaders may miscalculate or act in irrational and neurotic ways," with tragic consequences.

Clearly, we disagree, as we expect both sides to behave rationally, like other great powers before them. Nevertheless, as history shows, rational states invariably compete for security and sometimes go to war with each other. Sadly, rationality is no guarantee of peace. That is the real tragedy of great-power politics.

## Yarhi-Milo Replies

Mearsheimer and Rosato illuminate a point in their rebuttal that I admittedly did not fully contend with in my review: that they differentiate between the rationality of individuals and that of the state. Mearsheimer and Rosato argue that through the presence of "credible theories" and a "deliberative process," the noise of bias is removed—as well as the noise of emotions, heuristics, and updated beliefs based on those credible theories—leading to collective rationality at the state level. But the authors never empirically test any of their assumptions. Rather, they merely assume that any biases are canceled out when individual views are put through the machinery of the state. Even in the cases they identify, the authors do not offer a compelling set of mechanisms for how the aggregation of opinions eliminates individual bias.

Perhaps that's because there are no foolproof mechanisms. By itself, the presence of deliberation will not eliminate biases—and under some conditions, it may even reinforce them, as scholars of political psychology have demonstrated. There is ample evidence that deliberation can, in fact, lead to groupthink (greater conformity) or even group polarization (whereby individual beliefs are intensified).

In a study published in *International Organization*, the political scientist Joshua Kertzer and his colleagues conducted experiments in which online respondents were asked



to make foreign policy decisions individually or in groups. The study found that groups are not less biased or more rational than their individual members. It also found that groups are just as susceptible as individuals to classic biases, that the structure of groups does not significantly change the magnitude of the bias, and that diverse groups perform similarly to more homogeneous ones. In other words, the mere presence of deliberation does not necessarily lead to greater rationality.

#### SOURCES AND METHODS

Mearsheimer and Rosato's second main criticism is that scholars in my field of political psychology "rely on anecdotes" to substantiate our claims. This is simply not true. Other scholars—among them Janice Gross Stein, Elizabeth Saunders, Rose McDermott, and Jack Levy—and I have studied thousands of primary documents and used them to illustrate patterns of biases across time and space. We look at how policymakers selectively attend to different types of signals and fail to update beliefs in response to new information. And we examine how these psychological biases and dispositions, in turn, shape the decisions leaders make during crises.

Political psychology is in fact an exceptionally sophisticated discipline. A recent wave of scholarship in the psychology of decision-making was able to show not just the systematic presence of biases in how policymakers assess information but also the foundations of such biases. For example, in research published in the

*Journal of Conflict Resolution*, Kertzer, Jonathan Renshon, and I used a survey experiment of 89 current and former members of the Israeli Knesset to discover systematic differences in how decision-makers assign credibility to various kinds of signals during crises. Leaders vary significantly in their perceptions of the credibility of signals, and the variability depends on their foreign policy dispositions rather than their levels of military or political experience.

This kind of evidence can back up careful archival research on the decision-making process. And it is only through this kind of nuanced research that we can understand the sources of biases and misperceptions, and test these and other hypotheses.

In their response, Mearsheimer and Rosato say the review did not offer an alternative definition of rationality. Although many different definitions of rationality exist in the political science literature, it is safe to say that any good definition must be, at a minimum, falsifiable. And Mearsheimer and Rosato's is not. More specifically, it cannot differentiate between meaningful deliberation and the performative ritual of deliberation. There are certainly some cases in which decision-makers clearly do not follow a "deliberative process," such as when leaders actively shut down debate, and there are certainly some cases in which people speak truth to power, and analysts can observe leaders shifting their views. But most cases of deliberation fall in between, so it is typically very hard to falsify claims that a debate is both vigorous and unconstrained.



Dictators serve as prime examples. Authoritarian leaders often hold events that appear to be deliberative but that actually come after a decision has already been made. They may host discussions, but they are not searching for new information or alternative viewpoints that contradict their theories so much as looking for evidence that they are right. They are creating an echo chamber instead of a team of rivals. Such a process cannot be described as rational in any true sense of the word.

Consider Russia's decision to invade Ukraine and the United States' to invade Iraq. Mearsheimer and Rosato deem the former rational because it entailed deliberation and yet deem the latter irrational because it lacked such a process. This claim defies common sense. On February 21, 2022—just days before the invasion of Ukraine—Putin did convene a meeting of his Security Council. But that meeting was simply for show, a fact clear to anyone watching. And many people watched: Moscow had the meeting televised. During it, every member of Putin's council declared they agreed with his policy. No one voiced even an ounce of dissent.

As I stated in my review, the disastrous policymaking process of U.S. President George W. Bush's administration in Iraq really did involve deliberation and bureaucratic infighting. For example, Defense Secretary Donald Rumsfeld and Army Chief of Staff Eric Shinseki debated whether to invade Iraq and, if they did, what would be the appropriate force size. But this process did not eliminate biases. It may have actually rein-

forced them because biases were so entrenched in every decision-maker's mind. As numerous postmortems revealed, Bush's advisers failed to consider all competing explanations for Saddam Hussein's refusal to allow UN inspectors to verify that Iraq had no weapons of mass destruction program. And it was not just the advisers who became overly convinced that Saddam had these weapons. As the political scientist Robert Jervis noted, the intelligence community "did try to see the world as Saddam did and so believed that he had great incentives to get WMD."

I fail to see how the deliberation in the Iraq case represents irrational decision-making whereas deliberation in the Russia case does not. If Putin's deliberative style is uninhibited and vigorous, as the authors suggest, it is unclear what constrained deliberation would ever look like in practice. If the authors think there was more deliberation based on credible theories in the prelude to war in Ukraine than in the prelude to war in Iraq—and that is what makes the former rational and the latter irrational—then the whole purpose of assigning rationality based on the author's criteria should be called into question. It is impossible to know where they draw the line—and therefore where readers should draw the line, as well.

To see why, consider the case of current U.S.-Chinese relations. Why do Mearsheimer and Rosato believe that the United States will "behave rationally" this time, when they believe the United States did not in the case of the Iraq war? What is



it in their theory that should lead us to expect that leaders in Washington and Beijing will not be victims of the biases or misperceptions that characterized the decision-making process in Washington and Baghdad in the lead-up to the 2003 invasion?

#### IMPAIRED JUDGMENT

To assume in the absence of strong theory and evidence that level-headed rationality will prevail is dangerously naive. At the very least, experts should be skeptical of the idea that the Chinese Politburo will base any decision on credible theories and engage in uninhibited deliberation when it comes to Taiwan. Any serious analysis of the U.S.-Chinese interaction that ignores how both countries could unintentionally misperceive each other's signals, miss windows of opportunity, pay selective attention to information in times of stress, and act on heightened emotion would be, at best, incomplete. At worst, it would be dangerously misleading.

Political scientists and policymakers still have much to learn from Mearsheimer and Rosato's new book. Our points of disagreement are genuine theoretical and disciplinary debates that deserve further investigation. And I firmly believe that rationalists and political psychologists can and should work together on these issues.

As scholars, we must approach world events and leaders with humility given how much we do not know. Only through careful theory building and rigorous analysis of primary sources can we make sense of how leaders—and states—think. 🌐

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# Recent Books

## Political and Legal

G. JOHN IKENBERRY

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### *Tyranny of the Minority*

BY STEVEN LEVITSKY AND DANIEL ZIBLATT. Crown, 2023, 384 pp.

Why has American democracy come so close to a breaking point while other Western democracies appear more stable? In this sobering study, Levitsky and Ziblatt blame the United States' eighteenth-century constitutional order for its modern democratic woes. Forged in a pre-democratic age, this order increasingly thwarts the will of an expanding multicultural majority in favor of a shrinking rural white minority. The drafters of the U.S. Constitution worried that the great threat to democracy was "the tyranny of the majority," so they devised important countermajoritarian instruments, such as an independent judiciary and the Bill of Rights. The authors see many of these constitutional innovations as essential for the preservation of democracy but find others more worrisome. The electoral college system allows the candidate

who receives fewer votes to win the presidency. The U.S. Senate overrepresents less populated states, and the filibuster requires a supermajority of 60 votes to pass legislation. The result is that majorities often cannot gain power, and if they do, they find it hard to govern. Levitsky and Ziblatt show that this paralyzing majoritarian rule makes the United States unique among its peer democracies. Germany and the United Kingdom have reformed their upper chambers to make them more representative of the population. Other democracies, with constitutions modeled on the United States', have abolished indirect voting and the lifetime tenure of judges.

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### *Freedom From Fear: An Incomplete History of Liberalism*

BY ALAN S. KAHAN. Princeton University Press, 2023, 528 pp.

In this masterful and beautifully written history of liberalism's long intellectual journey, Kahan argues that what unifies liberals across the eras are their efforts to build societies free from the fear of arbitrary power. Liberalism has evolved in a dialectical fashion as people's concerns have changed. In the



late eighteenth century, liberal thinkers worried about the despotic state and religious and revolutionary fanaticism and sought freedom through constitutions and bills of rights. Kahan argues that the “modern liberal” emerged in the late nineteenth century, troubled by poverty and the social upheavals of the industrial revolution. Those concerns would trigger the “classical liberal” critique that feared the growth of a powerful liberal state. In the mid-twentieth century, liberals dreaded the ideological and geopolitical threats of fascism and totalitarianism. Cold War liberalism would give way in the 1970s to the fear of socioeconomic inequality, which in turn sparked libertarian and neoliberal responses. In Kahan’s account, threats to liberal democracy now come from populist and illiberal movements that take aim at the rights and protections of multicultural societies. But liberalism endures, as Kahan’s grandly illuminating history reveals, as an ongoing project to build better polities that offer protection against discriminatory abuses of power to increasingly diverse societies.

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*Why Empires Fall: Rome, America, and the Future of the West*

BY PETER HEATHER AND JOHN RAPLEY. Yale University Press, 2023, 200 pp.

Following in the footsteps of the historian Edward Gibbon and many others, Heather and Rapley find striking parallels between ancient Rome and the modern West in this fascinating study. Both imperial Rome and the industrial West experienced rapid

economic growth, generating new flows of wealth for the imperial center. This economic dynamism lasted for centuries, but it inadvertently planted the seeds for decline. In the case of ancient Rome, Heather and Rapley argue that the empire’s economic and political expansion into peripheral areas stimulated the formation of new frontier confederations, immigration flows, and regional and provincial conflicts that weakened the imperial center. The eventual revival of Persia as a peer competitor put unsustainable pressure on Rome’s declining fiscal and military capacities. The book argues that broad forces of change—economic globalization, the growth of new regional powers, immigration, and the rise of China—foreshadow a similar relative decline of the modern West. The lesson ancient Rome holds for Western leaders is that primacy cannot be reestablished, but there is still time to create a world order that accommodates rising powers and also defends the West’s core interests.

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*When Disasters Come Home: Making and Manipulating Emergencies in the West*

BY DAVID KEEN. Polity, 2023, 288 pp.

In this engaging polemic, Keen argues that a dangerous and dysfunctional “emergency politics” is taking hold in Western societies, threatening democracy and empowering groups that profit from disaster. The book draws insights from the global South, which has long struggled to cope with disasters, such as famines, ethnic violence, and financial crises. In Keen’s account,



these emergencies have often provided opportunities for elites to repress and exploit the public, exacerbating rather than ameliorating the underlying causes of the emergencies. Keen now sees a similar pattern unfolding in the global North. In deeply divided Western countries, political elites are easily tempted to use disasters to justify government spending in one area (for instance, military procurement) while cutting spending in another (public health and social security, for example), weakening a society's capacity to cope. Keen argues that elites thrill to the political opportunities that come with short-term responses to disasters, such as terrorist attacks, but neglect to tackle longer-term and slowly emerging systemic dangers, such as climate change. Western democracies, beware: today's cascading crises are a call for enlightened, civic-minded action, but they also empower demagogues and authoritarians.

## Economic, Social, and Environmental

BARRY EICHENGREEN

*The Rise of the Global Middle Class: How the Search for the Good Life Can Change the World*

BY HOMI KHARAS. Brookings Institution Press, 2023, 216 pp.

**A**rguably the single most important economic development of the last half century has been the rise of the global middle class: over four billion individuals who are neither impoverished nor exceed-

ingly rich and who can reasonably "aspire to enjoy the good life," as Kharas puts it. Middle-class status, many social scientists have reasoned, is associated with fulfilling employment, the ability to support family and community, and, more broadly, satisfaction in life. Scholars have also associated the middle class with the preference for democracy over authoritarianism. Kharas cautions that although those dynamics may have been broadly true of the emergence of the middle class in the twentieth century in the West, these associations may not prevail in other times and places. Higher incomes do not guarantee life satisfaction. Consumerism entails the production of ever more goods at ever-lower prices, resulting in the loss of biodiversity, greater carbon emissions, and ecological destruction. The examples of China, Iran, and Turkey point to the tenuousness of the link between democratization and the rise of the middle classes. Kharas nonetheless concludes on a hopeful note, arguing that the global middle class can be a force for social and political good if its members press for decarbonization, spend their money on sustainable products, and support policies that foster social mobility and create decent jobs for all.

*The Coming Wave: Technology, Power, and the Twenty-First Century's Greatest Dilemma*

BY MUSTAFA SULEYMAN WITH MICHAEL BHASKAR. Crown, 2023, 352 pp.

Suleyman, one of the co-founders of the influential artificial intelligence startup DeepMind, argues that AI



and synthetic biology are poised to transform a world shaped, until now, by human intelligence and natural biological life. These new technologies have the potential to eliminate mundane intellectual labor and eradicate debilitating diseases, promising enormous economic and health benefits. But Suleyman warns that these technologies also pose a dire, even existential, threat to the nation-state and to today's society. If unregulated, AI and synthetic biology will allow bad actors to unleash massive cyberattacks, engineered pandemics, and tidal waves of misinformation. An authoritarian clampdown on these new technologies would likely require impossible, dystopian levels of surveillance. Efforts to ban these technologies will likewise not succeed, since they will run into powerful business interests that seek to commercialize the technological advances. Instead, Suleyman suggests steps to ensure that developers build appropriate controls into their technologies. To this end, he recommends regular audits, international cooperation to harmonize laws and programs, and measures to slow the pace of technological change that would buy time for regulators and governments to catch up. The author's argument is compelling and alarming and serves as an important wake-up call.

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*Energy and Power: Germany in the Age of Oil, Atoms, and Climate Change*  
BY STEPHEN G. GROSS. Oxford University Press, 2023, 416 pp.

Energy lies at the center of German politics, as illustrated by former Chancellor Angela Merkel's fateful decision

to invest in the Nord Stream 2 pipeline and by the recent controversy over phasing out fossil-fuel-based heating in homes. Gross shows that debates over energy have been important since the foundation of the Federal Republic after World War II. He describes several major German energy transitions, beginning with the shift to petroleum from hard coal in the 1950s and ending with the ongoing transition to renewable power, and their concurrent political consequences. The centrality of energy in German political economy rests in the country's distinctive history. In contrast to France and the United Kingdom, Germany lacked its own global energy companies to secure hydrocarbon supplies, allowing environmental interests to gain traction among political insiders. The country's status as a manufacturing and export powerhouse enabled it to become a leading producer and exporter of renewable energy equipment, forging an alliance between business elites and environmentalists. Today, efforts by the Greens to build a decentralized, citizen-run power grid have resonated with voters who recall the pernicious role that powerful industrialists played a century ago in encouraging the rise of authoritarianism.

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*Material World: The Six Raw Materials That Shape Modern Civilization*

BY ED CONWAY. Knopf, 2023, 512 pp.

The global scramble for lithium, an essential input in the manufacture of rechargeable batteries for electric vehicles, is a measure of how raw materials power today's high-tech



world. Conway reminds readers that other, more commonplace commodities, such as sand, salt, iron, copper, and oil, are no less essential. Without sand, there would be no silicon or glass; without iron, no steel; without copper, no modern electricity generation and distribution networks. Without salt, many chemicals and pharmaceuticals and even clean drinking water would not exist. Oil's importance in powering the modern industrial economy is self-evident. Lithium rounds out Conway's list of six essential materials. These commodities are obtained through the operation of extraordinarily complex technological, economic, and political systems, often at considerable cost to the physical environment. Government efforts to deal with these environmental consequences are full of paradoxes. For instance, the side effects of manufacturing solar panels, wind turbines, and electric cars include carbon emissions and toxic runoff from lithium and cobalt mines. Conway imagines a world in which humankind succeeds in replacing most of its fossil fuels with renewable alternatives and in which energy is clean and abundant. He warns, however, that getting there will require considerable technological and geopolitical ingenuity.

## Military, Scientific, and Technological

LAWRENCE D. FREEDMAN

*On Wars*

BY MICHAEL MANN. Yale University Press, 2023, 616 pp.

Mann, a sociologist and historian, is not the first scholar to seek to develop a sweeping theory of war in order to help foster peace. He does not realize this ambition: war is just too complex and varied a phenomenon to be distilled in a single theory. But the journey is worthwhile as he explores a range of debates about warfare, including arguments about which ancient conflicts should be considered the first wars, the value of realist theories of war, and the psychologist Steven Pinker's claim that wars are in decline, which Mann persuasively dismisses. He considers why societies are more or less prone to war, ranging from the Roman Republic to imperial China to cultures in the Americas. And he examines whether those who waged wars were really enthusiastic for the fight. He finds it difficult to see the rational purposes of wars because their consequences are usually awful and counterproductive. Likewise, human nature does not drive countries to war. Instead, wars are produced by the choices made by leaders who themselves have been shaped by institutions and norms. The trick to preventing war is to develop the social conditions that encourage restraint and diplomacy.



*Dreams for a Decade: International Nuclear Abolitionism and the End of the Cold War*

BY STEPHANIE L. FREEMAN.

University of Pennsylvania Press, 2023, 328 pp.

Freeman provides an intriguing and thoroughly researched account of the great nuclear debates of the 1980s by focusing on mass movements that sought to halt nuclear proliferation—the “nuclear freeze” campaign in the United States and the campaign for European nuclear disarmament that began in the United Kingdom—and the two pivotal political leaders, U.S. President Ronald Reagan and Soviet President Mikhail Gorbachev, who tried, in very different ways, to rein in nuclear weapons. Activists on both sides of the Atlantic pushed for disarmament and even reached out to dissident groups in Warsaw Pact countries. At the same time, high-level dialogue between the superpowers led to breakthroughs. Reagan believed that one way to get to a world of fewer nuclear weapons was to build a missile defense system that would render the weapons obsolete. Gorbachev rejected Reagan’s confidence in strategic defenses but shared the U.S. president’s antipathy to nuclear weapons, not least because of his shock at the meltdown at the Chernobyl nuclear plant in 1986. The two leaders discussed complete nuclear disarmament at their Reykjavik summit in October 1986, although all they eventually agreed on was the prohibition of intermediate-range nuclear missiles in 1987.

*Iraq Disarmed: The Story Behind the Story of the Fall of Saddam*

BY ROLF EKEUS. Lynne Rienner, 2023, 305 pp.

This is an important and salutary memoir by Ekeus, the Swedish diplomat in charge of the UN special commission tasked with ensuring that Iraqi chemical, biological, and missile programs were completely shut down in line with a 1991 UN Security Council resolution. Ekeus provides a blow-by-blow account of how he organized and led his team, dealing not only with the obstruction and obfuscation by the Iraqis but also the interference of the UN bureaucracy and the Security Council. This included some tense moments with then U.S. Ambassador to the UN Madeleine Albright, who did not want sanctions to be lifted as long as the Iraqi dictator Saddam Hussein was in power. But Ekeus saw the promise of an end to sanctions as his main source of leverage in gaining access to Iraqi weapons sites. He ended his term, in April 1997, believing that the Iraqi programs had been shut down, while the parallel International Atomic Energy Agency effort had effectively eliminated the nuclear program. He was right, but he was then forced to watch with dismay as the U.S. and British governments invaded Iraq in 2003 on the claim that chemical and biological weapons of mass destruction still abounded in Iraq.



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*Good Soldiers Don't Rape: The Stories We Tell About Military Sexual Violence*  
BY MEGAN MACKENZIE. Cambridge University Press, 2023, 172 pp.

News reports of sexual violence in Western militaries are too frequent to be dismissed as occasional lapses. Every scandal prompts inquiries and official promises to address the problem, yet it does not go away. Militaries inadequately deal with sexual abuse in part because such violence is deep-rooted and goes far beyond a few high-profile cases but also because the military is a revered institution that claims to be able to manage an aggressive culture and is wary of admitting failure. Focusing on Australia, Canada, and the United States—three countries whose militaries have well-documented records of sexual violence—MacKenzie concentrates on how rape in the military was discussed in the media from 1991 to 2021. In the American media, a “band of brothers” martial culture that made little room for women and celebrated warriors led to the minimizing of sexual violence—at least until recent years. In Canadian discussions, rape in the army figured as an embarrassing, persistent, and complex problem that no one knew how to solve. And Australian media tended to characterize this violence as the regrettable outcome of too much drinking and an otherwise admirable military culture that lost control.

## The United States

JESSICA T. MATHEWS

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*The Year That Broke Politics: Collusion and Chaos in the Presidential Election of 1968*  
BY LUKE A. NICTER. Yale University Press, 2023, 396 pp.

Nichter is one of the first historians to have access to the diaries of the influential evangelical preacher the Reverend Billy Graham, and this deeply researched volume overturns much of the conventional wisdom about the epochal election of 1968, in which Graham played an important role as a go-between and general adviser to both main candidates. With extensive evidence from Graham's records and telling quotes from then U.S. Senator Walter Mondale, the campaign chair for the Democratic presidential candidate Hubert Humphrey, and Clark Clifford, the secretary of defense, Nichter convincingly demonstrates that U.S. President Lyndon Johnson favored the Republican candidate Richard Nixon over Humphrey, his own vice president, and acted accordingly. Johnson believed that Nixon's policies in office on both the war in Vietnam and major domestic issues would be more aligned with his own than Humphrey's would. Moreover, if Humphrey lost, Johnson would remain head of the Democratic Party, which, incredibly, in Clifford's words “meant everything to him.” More tellingly for the future, Nichter argues that Alabama Governor George Wallace, whose third-party campaign garnered



a hefty 13.5 percent of the vote, ran in 1968 not primarily as a racist segregationist but as a “New Deal–inspired Southern populist.” In that guise, he attracted white blue-collar workers who were the core of the Democratic electorate. His success began a steady movement that migrated into and “eventually came to dominate” the Republican Party. Wallace launched his campaign not in the South but in western Pennsylvania, where former U.S. President Donald Trump and President Joe Biden continue to battle for every vote half a century later.

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*Where Have All the Democrats Gone?  
The Soul of the Party in the Age  
of Extremes*

BY JOHN B. JUDIS AND RUY  
TEIXEIRA. Henry Holt, 2023, 336 pp.

Over 20 years ago, Judis and Teixeira’s *The Emerging Democratic Majority* caused a stir by predicting that several growing groups—minorities, young people, single women, and the college educated—would together ensure victories for the Democratic Party for years to come. They were correct in that, but they did not anticipate that the party would simultaneously hemorrhage the support of white working-class and lower-middle-class voters. The issues that drove these voters away include trade policies that led to factory closures; spending bills that seemed to primarily benefit the poor at the price of higher taxes; immigration; and cultural issues such as abortion, guns, and furors over sexual identity. By 2010, Democrats were down by an overwhelming 23 points among this

large group and even further behind in the industrial Midwest. The two trends have left the parties roughly balanced and working-class voters without a political party whose primary commitment is to their interests. The authors write that both parties are failing these voters and the electorate at large by taking positions more extreme than those supported by most Americans. Powerful “shadow parties” (activist groups, big donors, think tanks, big-name intellectuals, and so on) are to blame for pushing both parties away from the center. Notwithstanding all the issues raised by Trump and his supporters, it is the Democratic Party, they argue, that now badly needs to take a hard look at itself.

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*Hillbilly Highway: The Transappalachian  
Migration and the Making of a White  
Working Class*

BY MAX FRASER. Princeton  
University Press, 2023, 336 pp.

At the end of the nineteenth century, the discovery of natural gas in Indiana sparked a huge industrial boom that in turn led to the influx of over eight million poor, white southern migrants first to Indiana and then to the wider Midwest. Many stayed only long enough to buy a better piece of land or new machinery back home. Many settled permanently, bringing their southern culture with them. And many traveled back and forth, “suspended” between their new and old homes on the roads that gave this massive migration its name, the so-called Hillbilly Highway. The contemporaneous migrations of Black people from the South to the



North, known as the Great Migration, and the exodus of agricultural workers from the Dust Bowl to California are well known in scholarship and literature, but this larger transappalachian movement has been mostly ignored. In an engaging, richly detailed volume that stretches from patterns of land use to shifting class politics to the evolution of country music, Fraser traces the migration and its economic, social, cultural, and political consequences. He does not use the word “hillbilly” in a derogatory sense but to illustrate the great variety of meanings neighbors and contemporaries attached to it. He sees the marginalization of hillbilly culture and politics as a symptom, rather than a cause, of the conservative turn in post-1960s politics.

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*How to Interpret the Constitution*

BY CASS R. SUNSTEIN. Princeton University Press, 2023, 208 pp.

Sunstein has produced an extraordinary work that manages to be challenging but accessible to both specialists and nonlawyers. Its core idea is that because the U.S. Constitution offers no instructions for its own interpretation, citizens and judges must choose among many possible theories of interpretation (for instance, traditionalism, originalism, and common-good constitutionalism) to discover its meaning beyond the bare bones of the text. The only way to choose, he argues, is to depart from the text to define certain “provisional fixed points,” that is, moral and political judgments that are “both clear and firm” and then ask whether the application of a particular theory

would preserve the most important of these fixed points. For instance, at this stage in the country’s evolution, a theory that allowed the government to discriminate on the basis of race or sex would not be acceptable and could be dropped from consideration. A theory must also be jettisoned if it flies in the face of the realities of life in the United States measured from the highest level of generality down to specific cases. Further, because the United States is a deliberative democracy, popular preference is not sufficient grounds for choosing one theory over another: it must be justified by reasons. Sunstein carries the novice reader across this difficult terrain without simplifying the subject and manages to let his own passionate views shine through without shortchanging others. The book is an education.

## Western Europe

ANDREW MORAVCSIK

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*How Not to Be a Politician: A Memoir*

BY RORY STEWART. Penguin Press, 2023, 464 pp.

If you read only one contemporary political memoir, let this be it. Stewart is a certain type of eccentric figure once commonplace in British Conservative circles. An accomplished soldier and diplomat from a distinguished family, he traveled for years on foot through Central Asia and served high up in the Coalition Provisional Authority, the U.S. military government in post-invasion



Iraq, before being elected to the British Parliament and serving four times as cabinet minister. In 2019, after Boris Johnson crushed Stewart's quixotic run for the leadership of the Conservatives and then expelled him from the party, he found refuge back in the American academic and nonprofit worlds. With little to lose, he indulges in the rarest of virtues in a political memoir: honesty. Yet this book is much more than a remarkably candid eye-witness account of an embarrassing era in British politics, flush with juicy anecdotes. It is also the poignant tale of a genuinely decent human being with an uncompromising desire to achieve concrete policy results—and his arrival at the revelation that the political hypocrisy and ignorance surrounding him will thwart his efforts. It is a sobering admonition for anyone tempted to choose politics as a vocation or who expects much from those who do.

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*Europe's Leadership Famine: Portraits of Defiance and Decay, 1950–2022*  
BY TOM GALLAGHER. Scotview Publications, 2023, 403 pp.

This iconoclastic book asks why European citizens so dislike their elected representatives. Politicians, the author contends, used to be chosen for their ability to expound nationalist ideals that stirred the masses. Today, the challenges of wrestling with globalization, European integration, climate change, and migration favor mediocre and mendacious managers who inspire no one. Yet this romantic notion that the primary job of modern political leaders is to spout nationalist rhetoric not

only seems archaic but also leads the author to some odd judgments. Were postwar luminaries, such as the Belgian socialist leader Paul-Henri Spaak and Yugoslav President Josip Broz Tito, really towering figures compared with whom former German Chancellor Angela Merkel is but a self-righteous naive who underestimated Russian President Vladimir Putin? Are overtly populist leaders such as former British Prime Minister Boris Johnson and the late Italian Prime Minister Silvio Berlusconi well-intentioned people who fell just short of the standard set by Hungarian Prime Minister Viktor Orban, whom the author hails as the “most successful” European politician of the post–Cold War period? Such conclusions are not just unpersuasive but troubling for those who believe politicians should support impartial democratic institutions and sustainable gains in public welfare. In this way, the book captures and embodies the type of unreasonable expectations that fuel cynicism about political leadership and spur the corresponding desire for authoritarian alternatives.

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*An Unsettled Nation: Moldova in the Geopolitics of Russia, Romania, and Ukraine*  
BY EDUARD BAIDAU. Ibidem, 2023, 650 pp.

Often ignored in discussions of frozen conflicts in Abkhazia and South Ossetia, the recently unfrozen conflict in Nagorno-Karabakh, and the ongoing war in Ukraine is the small country of Moldova. Lying between Romania and Ukraine, it contains the



breakaway province of Transnistria, which today is semiautonomous, albeit not recognized internationally. Since the dissolution of the Soviet Union, Transnistria has been under Russian military occupation. This book traces the province's history, attributing its separatist tendencies to the divergent policies of nation building followed by Romania and the Soviet Union, as well as the ambiguous outcome of the civil war in Moldova that immediately followed the collapse of communism. Ham-fisted negotiations to reunify the nation, the ambition of various Moldovan political figures, and the cross-cutting cultural influence of foreign countries have further separated Moldova and Transnistria. Although this book offers a useful introduction to the subject, its largely cultural focus leaves one wishing for more information on the economic prospects, political leadership, and institutional construction of Transnistria today.

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*The Populist Moment: The Left After the Great Recession*

BY ARTHUR BORRIELLO AND ANTON JÄGER. Verso, 2023, 224 pp.

In an era of mounting inequality, a beleaguered working class, high youth unemployment, and visceral opposition to extreme right-wing movements, the decline of the left in most European countries seems odd. In this book, two political scientists reiterate explanations for the left's weakness that many left-wing parties themselves offer. Most of them stress factors beyond their control, including a shrinking yet more diverse and diffuse working

class, middle-class ambivalence toward economic redistribution, the power of globalized capital, and, most controversially, the "hollowing out" of democratic institutions. As a result, left-wing parties and political movements have struggled to gain traction or stay in power. They must either moderate or disappear: Syriza in Greece, Podemos in Spain, the Socialists and their successors in France, and the movement led by Bernie Sanders, the independent senator from Vermont, in the United States have all failed to enact distinctive policies and have lost much of their momentum. Although this rather impressionistic analysis aspires to conclude by presenting an alternative strategy to reinvigorate the left, the analysis suggests that its decline is inevitable.

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*The Once Upon a Time World: The Dark and Sparkling Story of the French Riviera*

BY JONATHAN MILES. Pegasus Books, 2023, 464 pp.

Today, the French Riviera is well known, easily reached, and overcrowded. Yet it was not always so. Before the mid-nineteenth century, few viewed warm seaside locales as attractive resort destinations. Moreover, the Riviera remained nearly inaccessible by land. Only those seeking to treat severe tuberculosis viewed it as a worthwhile destination. With the coming of the railroad, however, the rich and famous poured in—not just from France but also from Russia, the United Kingdom, the United States, and other countries with wealthy elites. They reveled in



the natural beauty, built grand villas, indulged laxer sexual mores, and frequented the world's most expensive gambling tables. They were followed by swarms of crooks, swindlers, and thieves—a lifestyle to which, in the mid-twentieth century, the actors Cary Grant and Grace Kelly lent one final burst of cinematic glamor. Only a few posh towns, along with the perpetual tax haven of Monaco, now recall the region's luxurious heyday. Across the globe, however, the lifestyle ideal of the Riviera has triumphed: everyone seeks spots where they can soak up sun and surf by day and party through the night.

## Western Hemisphere

RICHARD FEINBERG

*In the Shadow of Quetzalcoatl: Zelia Nuttall and the Search for Mexico's Ancient Civilizations*

BY MERILEE GRINDLE. Harvard University Press, 2023, 400 pp.

*Gods of Thunder: How Climate Change, Travel, and Spirituality Reshaped Precolonial America*

BY TIMOTHY R. PAUKETAT. Oxford University Press, 2023, 352 pp.

Two recent books shed light on evolving interpretations of pre-Columbian civilizations. Zelia Nuttall, who died in 1933 at the age of 75, was a pioneering anthropologist whose many contributions ranged from decoding a giant Aztec calendar to burnishing the reputation of the

sixteenth-century English navigator Sir Francis Drake. In this beautifully crafted biography, Grindle situates Nuttall's work in Mexico in the lead-up to the 1910 revolution. Her research helped Mexicans understand their pre-Columbian national heritage, in its sophisticated engineering, gardening, artistry, and cosmology, as being as glorious as that of Mediterranean societies in the classical era. Nuttall came from a background of privilege and wealth in San Francisco, but she was also a divorced single mother who succeeded in a male-dominated professional world through assertiveness, dogged research, incessant travel, and prolific publication. She built vast networks among senior museum administrators and scholars, philanthropists, and politicians, including U.S. President Theodore Roosevelt and Mexican President Porfirio Díaz. In her stately villa in Mexico City, she formidably presided over a European-style salon of elite gatherings. A product of her times, Nuttall preferred to uncover commonalities across ancient civilizations, whereas twenty-first-century cultural anthropology often celebrates diversity and difference.

Pauketat argues that climate change explains the rise and fall of many pre-Columbian civilizations. A medieval warm period, from about AD 800 to 1300, allowed complex civilizations to emerge in Central America, Mexico, and what is now the southwest and central United States, just as a subsequent cooling period contributed to their decline. These somewhat interconnected societies acknowledged the decisive forces of nature by worshiping the wind-and-rain-feathered serpent



god, Quetzalcoatl. Drawing on an array of evidence, including the chronicles of Spanish conquistadors, recent anthropological and archaeological research, and his own extensive observations from the field, Pauketat finds striking similarities among these diverse societies, including in their architecture, cosmology, creation myths, ceramics, and use of psychotropic substances and therapeutic steam baths. The influence of Mesoamerica reached up the Mississippi River as far north as the urban complex of Cahokia (near modern-day St. Louis). Just as current research finds contacts throughout the ancient Mediterranean world, Pauketat speculates that long-distance travel for pilgrimage, migration, and cultural exchange yielded a more integrated precolonial Central America and North America than most scholars previously imagined.

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*Dead Men Cast No Shadows*

BY SERGIO RAMÍREZ. TRANSLATED BY DARYL R. HAGUE. McPherson, 2023, 284 pp.

This wrenching political thriller is a thinly veiled critique of the Nicaraguan dictator Daniel Ortega and his brutal repression of large-scale protests in 2018. Ramírez's hard-hitting novel has been banned in Nicaragua, and Ortega has stripped the prolific, high-profile author of his Nicaraguan citizenship. When Ortega served as president in the 1980s, Ramírez was his vice president but was ultimately marginalized by political intrigues within the once revolutionary Sandinista Party. In *Dead Men Cast No Shadows*, Ramírez's

political disillusionment, evident in his earlier writings, has deepened into an anguished sorrow. His vivid, well-drawn characters—often former revolutionary fighters—have turned opportunistic, deceitful, even savage. His stinging takedowns of Ortega's wife and vice president, Rosario Murillo, and of a former guerrilla commander, Edén Pastora, hit their marks. He also calls out the Catholic Church for accommodating the increasingly repressive regime. Ortega's relentless concentration of power has brutalized Nicaragua and darkened the imagination of one of its most creative minds.

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*Engage and Evade: How Latino*

*Immigrant Families Manage*

*Surveillance in Everyday Life*

BY ASAD L. ASAD. Princeton University Press, 2023, 344 pp.

Asad challenges the conventional notion that undocumented immigrants in the United States hide in the shadows, fearful of all forms of institutional authority. Rather, he persuasively argues, many engage selectively and rationally with both law enforcement and service institutions such as schools, hospitals and health clinics, and organizations that provide social assistance. Immigrant parents seek to gain access to these services for their children; they also accumulate records of good, moral behavior to eventually make the case for their own formal permanent residency or citizenship status. Life in their adopted homeland is an ever-shifting balance between feeling excluded and feeling included, between anxiety and trust. Asad derives his ethnographic



evidence from intensive interviews with 28 Latino immigrant households in Dallas, mostly undocumented and of Mexican origin, whose families include 97 children born in the United States. The author rigorously validates his conclusions with U.S. government survey data. Asad's detailed policy recommendations, which stem as much from his moral belief in "the freedom and equality of every human being" as from his empirical research, would make it much easier for the approximately ten million undocumented immigrants in the United States to finally become naturalized citizens.

## Eastern Europe and Former Soviet Republics

MARIA LIPMAN

*Getting Russia Right*

BY THOMAS GRAHAM. Polity, 2023, 272 pp.

Graham, who spent over 30 years studying Russia and working on Russian affairs in the U.S. government, offers a forthright analysis of Washington's Russia policy. The United States, he claims, bears significant responsibility for U.S.-Russian relations now "scraping the depths of Cold War hostility." Deluded by post-Soviet Russia's weakness, the United States grew oblivious to Russia's sense of its immutable historical self: its deeply

ingrained self-perception as a great power and its perennial security concerns over its long and mostly indefensible borders. Washington would not recognize Moscow's national interests unless they were compatible with U.S. goals. Graham condemns American hubris as post-Cold War administrations aspired to transform Russia into a free-market democracy. The U.S. commitment to integrating Russia into the liberal Western world sounded insincere at best as it went hand-in-hand with fierce hedging against Russia's great-power aspirations. Yet Russia's autocratic regime does not need to be the United States' implacable foe. To bring about more constructive relations, Graham urges, Washington must reassess the goals and limits of its power and frame its rivalry with Moscow in terms of geopolitical competition rather than as an existential contest between good and evil.

*Detroit–Moscow–Detroit: An Architecture for Industrialization, 1917–1945*

EDITED BY JEAN-LOUIS COHEN, CHRISTINA E. CRAWFORD, AND CLAIRE ZIMMERMAN. MIT Press, 2023, 432 pp.

During the Soviet Union's First Five-Year Plan—a development initiative that lasted from 1928 to 1932—a group of American architects and engineers worked from a Moscow office to help implement Stalin's highly ambitious program to industrialize his agricultural country. Their Soviet counterparts were eager to borrow American



expertise, and the Americans enjoyed the challenge of their task and were amazed to encounter female Soviet engineers. (The profession had yet to open up to women in the United States.) The editors of this volume have put together a gripping collection of scholarly essays detailing this cooperation, richly illustrated with photographs and designs. The Americans contributed to the construction of over 500 heavy-industry plants across the Soviet Union, many of which are still in operation. In the mid-1930s, the Soviets also turned to the Americans to help design the Moscow Palace of the Soviets, which was to become the world's tallest building but was never built. In contrast to earlier historians, the collection's authors emphasize that American-Soviet collaboration was not a one-way street: construction practices developed in the Soviet Union were implemented by American architects and engineers when they returned home to work on the New Deal's vast infrastructure projects.

*I Love Russia: Reporting From a Lost Country*

BY ELENA KOSTYUCHENKO.

TRANSLATED BY BELA SHAYEVICH  
AND ILONA YAZHBIN CHAVASSE.

Penguin Press, 2023, 384 pp.

Kostyuchenko, a reporter who has won several international awards, is one of the very few Russian journalists who covered Russian military atrocities in Ukraine in the early weeks following the February 2022 invasion. She is a person of outstanding courage, even by the standards

of her independent paper, *Novaya Gazeta* (now shuttered in Russia). At least five *Novaya* journalists have been assassinated, including Anna Politkovskaya in 2006. Kostyuchenko sees Politkovskaya as her role model. "There was nobody in the world I respected more," she writes. Her book combines her published articles with more memoiristic chapters about her childhood in a provincial town, her mother who trusts Russian TV propaganda over Kostyuchenko's own eyewitness accounts, and her LGBTQ activism. She has a predilection for the down-and-out and the dismal, and the book immerses the reader in a world of roadside prostitutes, care homes that isolate people with disabilities, and the struggles of dwindling ethnic minorities in Russia's far north.

*Moscow's Heavy Shadow: The Violent Collapse of the USSR*

BY ISAAC MCKEAN SCARBOROUGH.

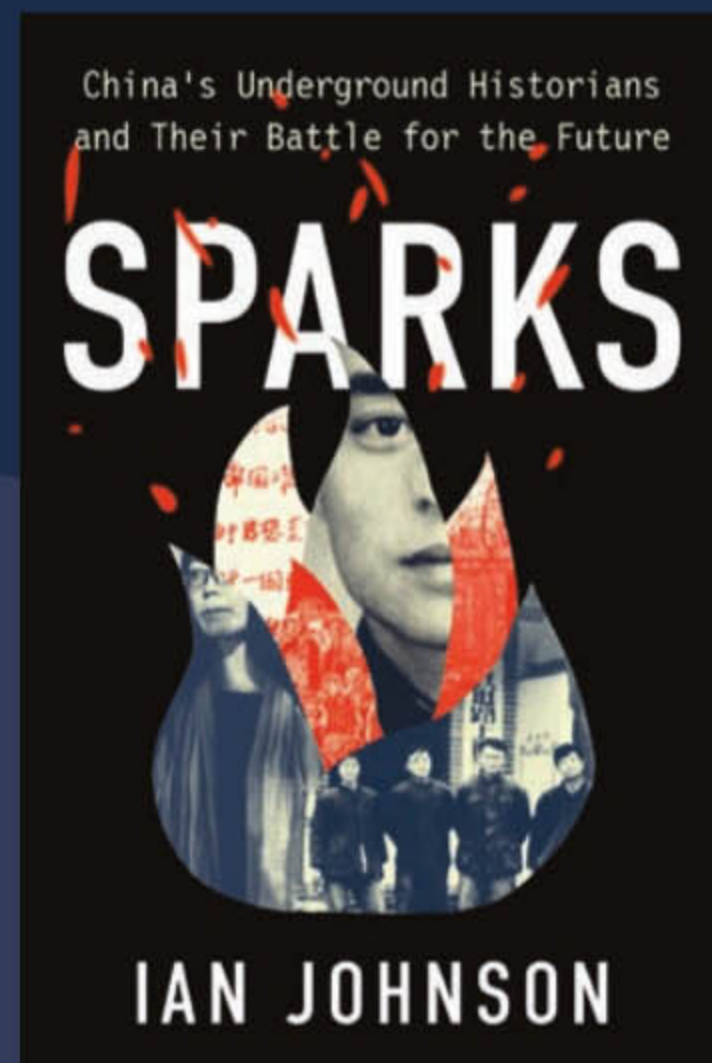
Cornell University Press, 2023, 294 pp.

Based on extensive primary sources, Scarborough's book describes in minute detail how the Soviet republic of Tajikistan plunged into a bloody civil war following the collapse of the Soviet Union. Scarborough blames the war on the Soviet leader Mikhail Gorbachev's misguided reforms, which resulted in mass unemployment and the precipitous decline of living standards. "A handful of unsatisfied cosmopolitan cities," Scarborough argues, as well as members of the Soviet elite, expected to benefit from the transition to a market economy. In Tajikistan,

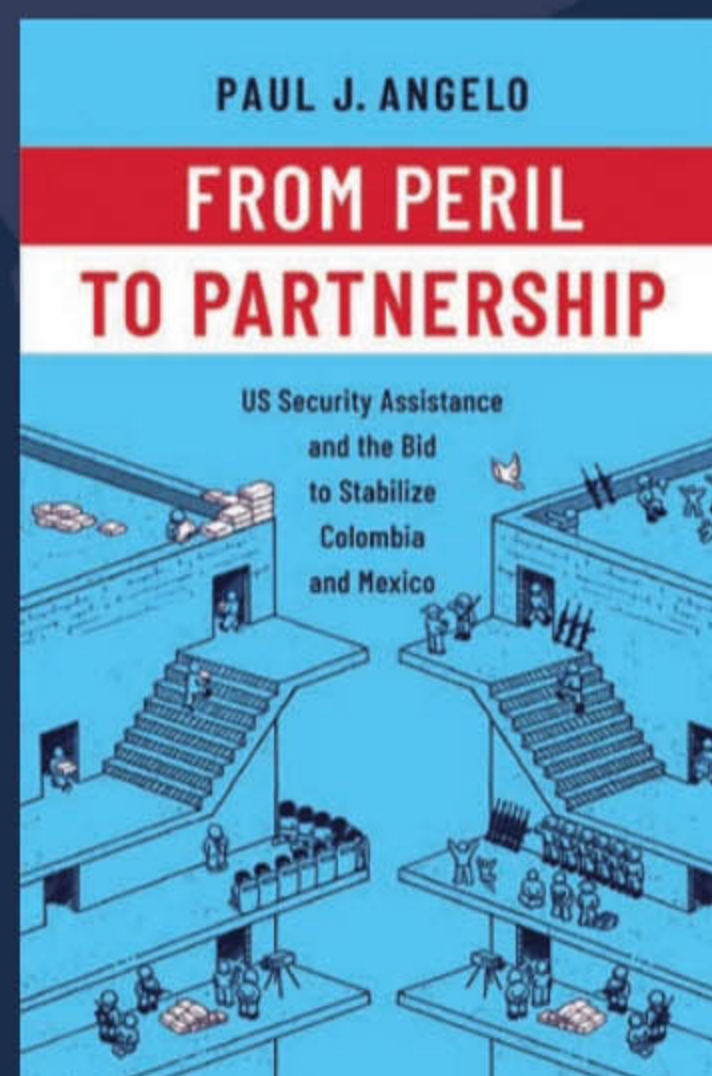


# Keep Up With An Unstable World

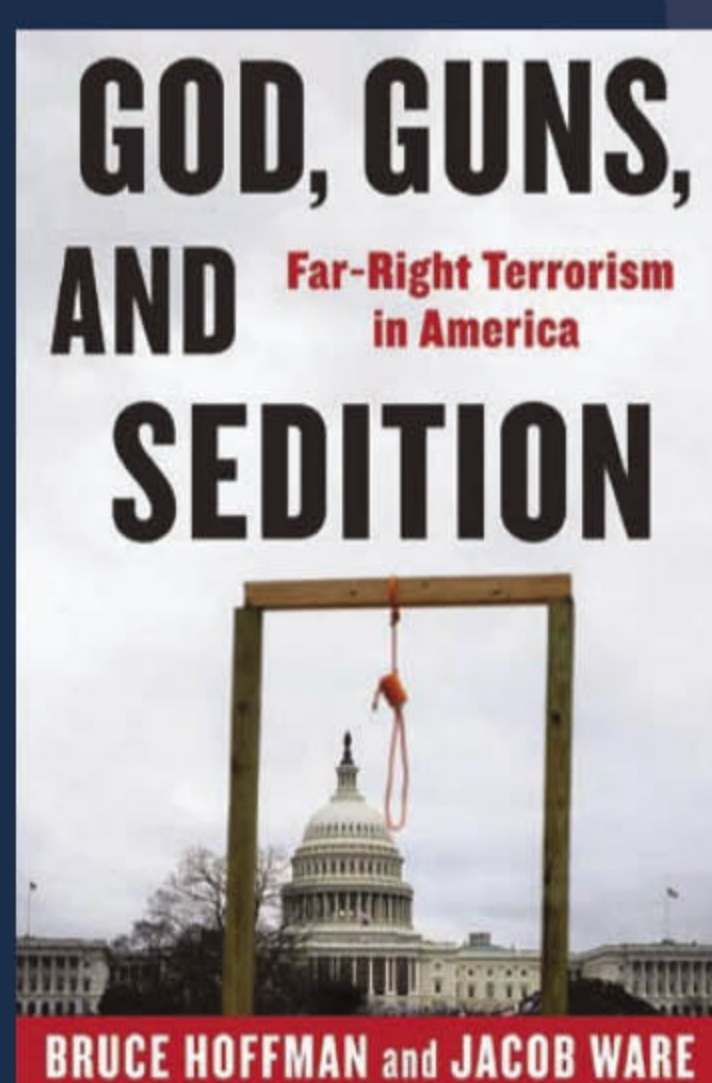
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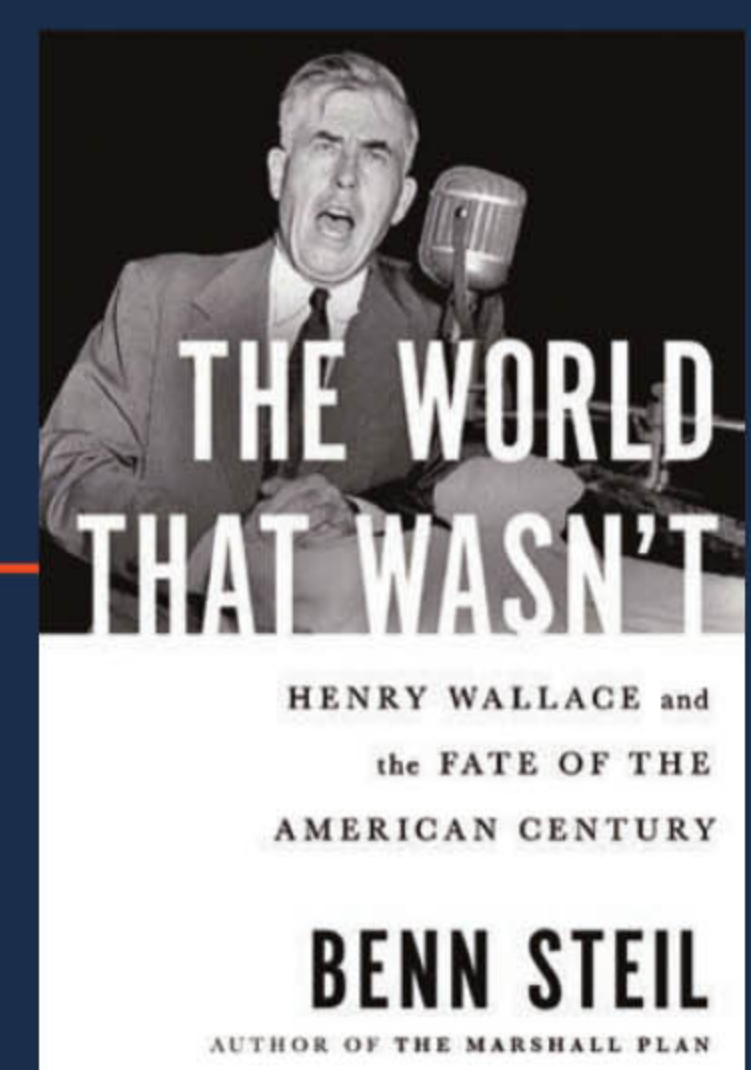
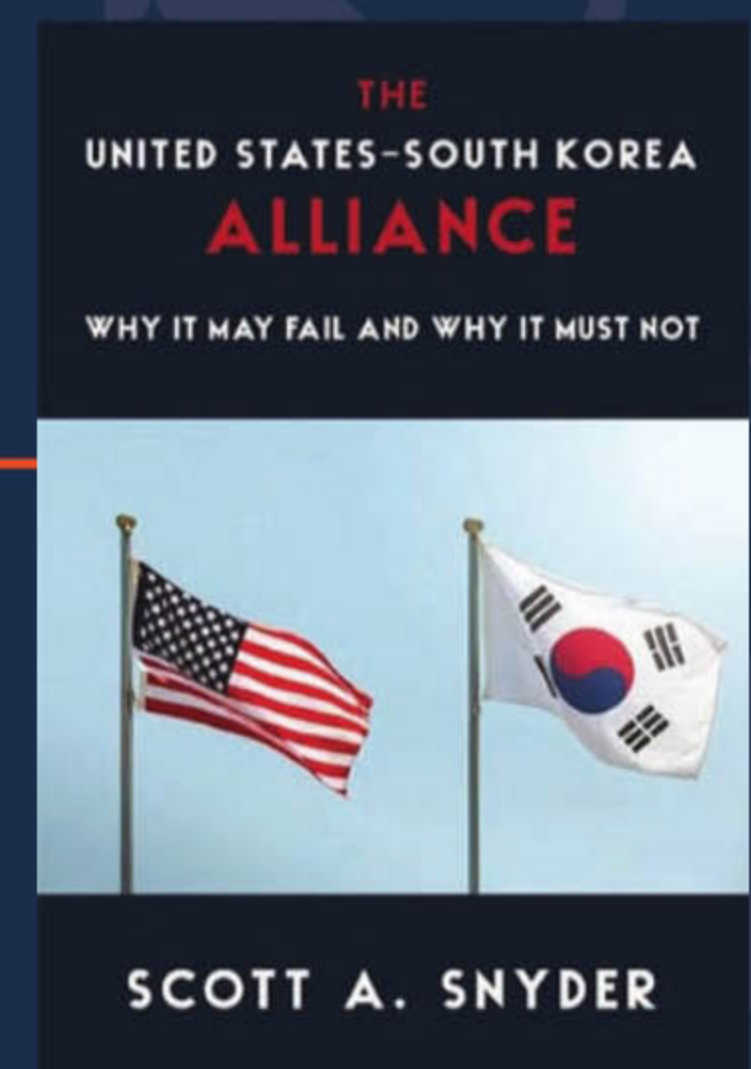
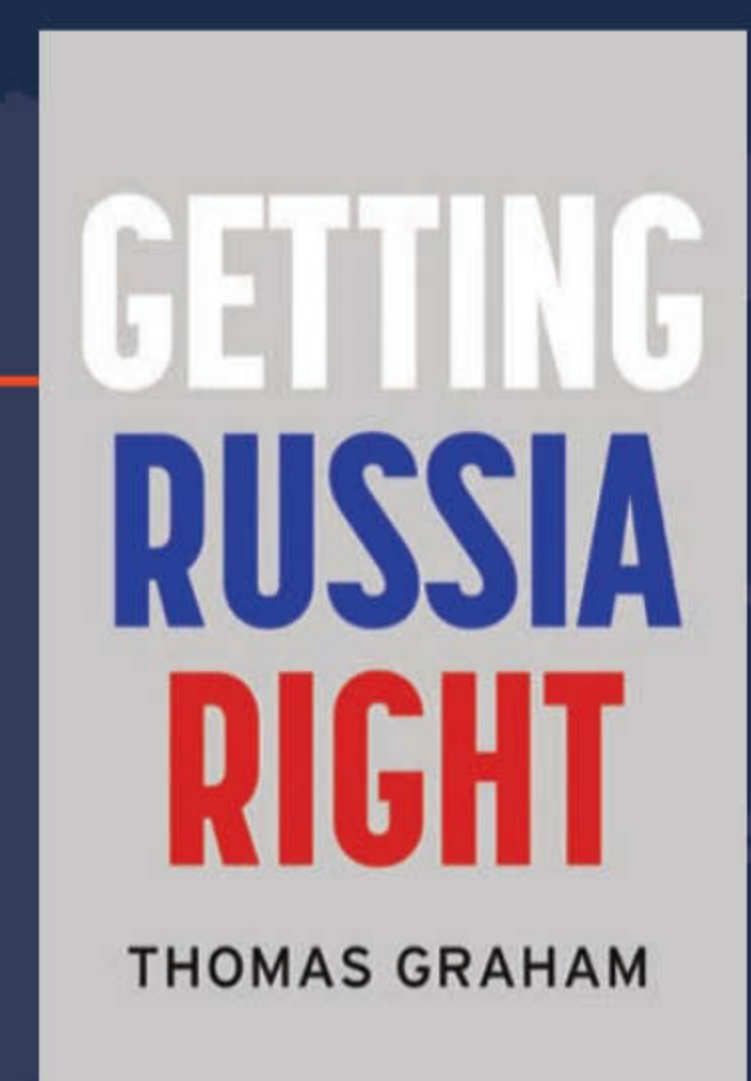
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however, one of the poorest and least developed Soviet republics, people were reasonably content with what the Soviet system provided. Unlike other Soviet republics, Tajikistan showed “little stomach for independence,” and when the Soviet Union disintegrated, leaving Tajikistan a de facto independent state, the republic’s leadership continued to hold on to its close ties with the Kremlin. Moscow, however, would not help restore order when socioeconomic chaos led to violence among rival factions. Scarborough’s narrative leaves one wondering whether, instead of embarking on seismic reform, the Soviet Union should have remained a “benevolent empire” for its poor periphery, but the book fails to answer this question.

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*The Ruling Families of Rus: Clan, Family, and Kingdom*

BY CHRISTIAN RAFFENSPERGER  
AND DONALD OSTROWSKI.  
Reaktion Books, 2023, 320 pp.

Based on a considerable amount of research, this book by two academic historians takes a novel approach to the political history of the medieval Rus princedoms (from the ninth to the sixteenth century), to which modern Russians and Ukrainians trace the origins of their countries. Raffensperger and Ostrowski argue that the “Ryurikid dynasty,” to which Rus medieval princes are traditionally attributed, is a later construct devised in the fifteenth century. For earlier periods, they insist, it is more appropriate to talk about discrete ruling families that were, however, still

aware of belonging to a loosely defined “clan.” That this clan consisted of the progeny of the tenth-century Prince Vladimir, the famous Christianizer of the Rus, was often unimportant to contemporaries. The authors also depart from the traditional focus on a dynastic, patrilinear succession by considering the origins and connections of the princes’ wives, who commonly came from other clans and countries and maintained ties with their motherlands. The book thus places medieval Rus in a broader context, challenging the conventional perception of Russian statehood as evolving over the centuries from Kyiv to Moscow.

## Middle East

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LISA ANDERSON

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*A Day in the Life of Abed Salama: Anatomy of a Jerusalem Tragedy*  
BY NATHAN THRALL. Metropolitan Books, 2023, 272 pp.

Thrall’s powerful and moving portrayal of the quotidian frustrations of life under Israeli occupation is both a painful reminder of the costs of conflict and, in its insistence on the humanity of its protagonists, both Israeli and Palestinian, a glimmer of hope. The author recounts the true story of the search by Abed Salama, a Palestinian father, for Milad, his five-year-old son, in 2012. Milad was on a class trip when his bus was involved in a horrible accident. Because the crash took place in



a Palestinian area outside Jerusalem, emergency services were slow to arrive; the jurisdictional maze of the occupied West Bank meant that the injured children were taken to whatever clinics and hospitals passersby could reach. Abed himself could not look for his son in Jerusalem hospitals because he didn't have the right kind of identification to enter the city; Israeli military checkpoints and road bypasses delayed his frantic search in West Bank towns. In telling the story of Abed's ordeal, Thrall ends up conveying much of the history of the conflict and the occupation. By the time readers learn of Milad's death, they have also learned how all these roadblocks came to be but are left to ask, like all grieving parents, why it had to happen.

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*Maghreb Noir: The Militant-Artists of North Africa and the Struggle for a Pan-African, Postcolonial Future*

BY PARASKA TOLAN-SZKILNIK.  
Stanford University Press, 2023, 272 pp.

Drawing on interviews, personal papers, and the archives of many of the surviving protagonists, this lively book revisits the heady age of anticolonial revolution and political ferment in North Africa in the middle decades of the twentieth century, when liberation was in the air and solidarity was glamorous. Poets, playwrights, and filmmakers rubbed shoulders with—and sometimes took turns as—revolutionaries and freedom fighters in the era's global struggles. The book moves from Paris to Rabat, Algiers, and Tunis, following an ever-evolving cast of luminaries in anticolonial campaigns,

including Angola's Mario de Andrade and Agostinho Neto, Algeria's Ahmed Ben Bella, Morocco's Mehdi Ben Barka and Taher Ben Jelloun, Senegal's Léopold Sédar Senghor, and the American Black Panther Eldridge Cleaver. As they agitated against imperial powers and autocratic regimes, these men supported one another with financing, military training, venues to publish and perform, and, perhaps most important, opportunities to serve as ideological sparring partners. Tolan-Szkilnik is perceptive and candid about the limits of liberation: women were hardly present except as the typists and messengers for a predictably patriarchal generation of revolutionaries. The ghost of one of the movement's most acute analysts, the Marxist revolutionary and political philosopher Frantz Fanon, who died of leukemia at 36, in 1961, hovers over the entire assembly.

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*My Egypt Archive*

BY ALAN MIKHAIL. Yale University Press, 2023, 184 pp.

Mikhail, a historian, spent years in the Egyptian National Archives in the first decade of this century, conducting research for what would be his doctoral dissertation on Ottoman Egypt. This book documents his experience in those archives, navigating the bureaucracy that governs Egypt's national patrimony and coming to know the people who inhabit this tiny corner of the country's vast officialdom. From the invisible director to the imperious reading room manager, the hapless gofers who retrieve documents from the dank basement storerooms,



the family members who squat in the rundown café brewing tea all day, and the security guards sitting behind their old wooden desks, the people of the archives played their roles unquestioningly. The prospect of a visit by Suzanne Mubarak, then the first lady, occasions the installation of desktop computers, a fresh coat of paint, new flooring in the reading room, and an inspection visit by the minister of culture. Mubarak never does make it to the archives, but the mere promise of her appearance galvanized otherwise neglected maintenance. An elegant and provocative account, this slim volume captures the system of arbitrary rules and capricious exemptions on which tyranny, large and small, relies.

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*The Politics of Arab Authenticity: Challenges to Postcolonial Thought*  
BY AHMAD AGBARIA. Columbia University Press, 2022, 288 pp.

This lucid and accessible volume lays bare the complex and contentious debates about culture and heritage in postcolonial Arab thought through the work of two major twentieth-century Arab intellectuals, the Moroccan educator and writer Mohammad Abed al-Jabiri and the Syrian translator and social critic Jurj Tarabishi. Both were early enthusiasts of postcolonial leftist politics and intimately familiar with the European Marxists and existentialists of the middle of the twentieth century. After the Arab defeat in the 1967 war with Israel, they shared in the widespread disenchantment with leftist nationalism. Jabiri came to argue that liberalism and Marxism

alike were predicated on a conception of universal progress and a contempt for the past that were, in fact, culturally specific to the West. For Arabs to find a way forward, they would have to revisit their own past. This argument was enormously influential and often seen as encouraging the Islamist turn in the region's politics, even though Jabiri himself opposed rigid deference to dogmatic interpretations of any kind. Tarabishi disagreed with the focus on heritage, countering that a preoccupation with the past was a route to medieval obscurantism, not authenticity. This debate over the uses and abuses of history is not over—see, for example, the current Saudi government's vast investments in cultural heritage—making this book a useful guide to present-day debates.

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*Syria Betrayed: Atrocities, War, and the Failure of International Diplomacy*  
BY ALEX J. BELLAMY. Columbia University Press, 2022, 472 pp.

Dispiriting reading, this book chronicles the repeated, perhaps predictable but no less scandalous failures of outside powers to protect Syrian civilians in the decade after the 2011 uprising against the regime of Bashar al-Assad. Framed by Bellamy's commitment to the principle of "the responsibility to protect," the story is one in which even those international actors who cared about ordinary Syrians—and there were not many—had other priorities that inevitably proved more urgent or important. In fact, Bellamy's account suggests that many governments known for their prickly defense of



their own sovereignty interpreted the responsibility to protect as little more than an authorization to meddle. The world's great powers, namely China, Russia, and the United States, make predictable appearances, paralyzing the UN Security Council and paying lip service to what Bellamy calls a "zombified peace process that existed only in the minds of those being paid to . . . keep it going in Geneva." Perhaps more interesting are the several regional players, such as Iran, Turkey, and the United Arab Emirates, whose patronage of competing groups ensured that the opposition would remain divided in the face of a regime that is responsible for the deaths of more than 200,000 civilians and the displacement of half the Syrian population.

## Asia and Pacific

ANDREW J. NATHAN

*An Ecological History of Modern China*  
BY STEVAN HARRELL. University of Washington Press, 2023, 582 pp.

**T**his intellectually adventurous, wide-ranging, and boldly integrative study examines the ecological impact of China's post-1949 agricultural, dam-building, industrial, and urbanization policies, which propelled the country "from impoverished giant to wealthy superpower" at the cost, Harrell says, of sacrificing "whatever resilience its ecosystems once possessed." One developmental initiative after another, of which the late 1950s Great Leap Forward was the

most damaging, destroyed the institutional, cultural, and other buffers that in premodern times helped China's environment and Chinese society recover from disruptions. As problems mounted, the characteristic technocratic response of applying "a fix to fix the fix" only made matters worse by failing to encourage the flexibility and adaptation so evident in premodern times. Harrell blames these results not on authoritarianism but on "scientific modernism," of which the Chinese version of Marxism-Leninism is but one type. Because it is impossible to predict how natural and social systems will interact, he remains open-minded about whether China's more recent emphasis on "ecological civilization" might yet help the country avoid ever-greater disasters.

*Stalemate: Autonomy and Insurgency on the China-Myanmar Border*  
BY ANDREW ONG. Cornell University Press, 2023, 276 pp.

Ong's illuminating political ethnography of Wa, perhaps the least known of Myanmar's ethnic minority regions, challenges the conventional view of it as a warlord-governed drug haven. Wa consists of two areas located on the borders with China and Thailand and is home to around half a million people of diverse ethnicities, many of whom speak Chinese and use Chinese currency in daily life. The largest of Myanmar's ethnic armed organizations, the United Wa State Army, rules with a forceful combination of Leninist and patriarchal methods. It has managed to sustain the region's de facto self-



rule for 30 years with minimal use of military force by showing an on-again, off-again deference to both Myanmar's military regime and the Chinese government. People and goods easily cross the border with China, generating a prosperous economy anchored in casinos, gold and jade mining, timber, tea, and—less than before—opium and methamphetamine. Neither sovereign nor subordinate, Wa enjoys an ambiguous status that Ong calls “relational autonomy.”

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*Japan's Quiet Leadership:  
Reshaping the Indo-Pacific*  
BY MIREYA SOLÍS. Brookings  
Institution Press, 2023, 260 pp.

In her judicious survey of Japan's economics and politics over the last three decades, Solís argues that the country has left stagnation behind to emerge as a regional “network power par excellence.” Tokyo has signed 21 free-trade agreements since the start of this century, built infrastructure projects throughout Southeast Asia that are of higher quality and more financially responsible than China's equivalent efforts, and intensified security cooperation with Australia, India, the Philippines, the United Kingdom, the United States, Vietnam, and—since her book was published—South Korea. Most of this policy dynamism was the work of the late Prime Minister Shinzo Abe in his second term from 2012 to 2020. Abe proposed a policy framework of a “free and open Indo-Pacific”; promoted the cooperative security arrangement among Australia, India, Japan, and the United States known as the Quad (Quadrilat-

eral Security Dialogue); and created the Comprehensive and Progressive Agreement for Trans-Pacific Partnership to breathe life back into the big regional trade agreement that the United States had supported and then abandoned. It is not clear, however, that Abe's less visionary successors will also take such a strong leadership role.

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*The Dragon Roars Back:  
Transformational Leaders and  
Dynamics of Chinese Foreign Policy*  
BY SUISHENG ZHAO. Stanford  
University Press, 2022, 358 pp.

Zhao presents a robust and empirically rich rebuttal of the realist theory that China's foreign policy is the straightforward product of its geostrategic position and the broader balance of power. Instead, he attributes such events as the Sino-Soviet split under Mao Zedong and the embrace of globalization under Deng Xiaoping to the idiosyncratic visions of transformational leaders. Today, realist theorists understand U.S.-Chinese tensions as the natural result of a rising China that is working to expand its influence against the resistance of the incumbent power. Zhao instead regards Chinese leader Xi Jinping's “strident” diplomacy and naval buildup in the South China Sea and around Taiwan as policy errors, arising from Xi's belief in “a resentful strain of nationalism” and supported by hubristic public opinion that Xi has fostered. The author argues that confronting the United States has unnecessarily put China in an isolated position in the face of a stronger power.



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*Reading the China Dream*

WEBSITE CURATED BY DAVID OWNBY

This invaluable online resource presents translations into English of writings from Chinese “establishment intellectuals”—writers who have independent ideas but do not directly challenge the regime. The volume of potential material available in Chinese publications and websites is oceanic, so the site is selective. Topics include issues pertaining to youth, gender, religion, mental health, globalization, Black Lives Matter, former U.S. President Donald Trump, and Chinese politics. The translations are excellent. The introductions and translators’ notes help overcome barriers to understanding created by the writers’ distinctive vocabularies and intellectual styles. Despite Chinese Communist Party control over the world of thought in China, there is surprising diversity and creativity in what can be published. The website is a precious resource for those who want to understand what topics are publicly debatable in China and what Chinese writers are saying about them.

## Africa

NICOLAS VAN DE WALLE

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*The Last Colony: A Tale of Exile, Justice, and Courage*

BY PHILIPPE SANDS. Knopf, 2023, 224 pp.

In 1965, the United Kingdom split off the Chagos archipelago from Mauritius to form the British

Indian Ocean Territory. It also ceded the biggest island in the archipelago, Diego Garcia, to the United States, which was seeking a military base in the Indian Ocean. The United Kingdom forcefully removed to Mauritius and the Seychelles the small population in the archipelago of some 2,000 people in 1973. From the outset, Mauritius opposed British actions and the separation of the archipelago. It sought to overturn the decision as contrary to UN resolutions banning the dismemberment of colonial territories in the run-up to independence. (Mauritius became independent in 1968.) Sands, a British legal scholar who has provided counsel to Mauritius over the last decade, has written a compelling account of 40 years of legal and diplomatic efforts to restore Chagos to Mauritius. Eventually, both the International Court of Justice and the UN General Assembly sided unambiguously with Mauritius—although neither body has the power to force the United Kingdom or the United States to comply. Sands tells the story with verve, presenting the complex legal issues and diplomatic wrangling as adeptly as he explains the emotional attachment of the islanders to the archipelago.

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*Anansi's Gold: The Man Who Looted the West, Outfoxed Washington, and Swindled the World*

BY YEPOKA YEEBO. Bloomsbury, 2023, 400 pp.

Yeebo weaves the far-fetched tale of John Ackah Blay-Miezah, a Ghanaian grifter responsible for a truly massive con. Blay-Miezah claimed that he had sole access to an enormous fortune



in gold that Ghana's first president, Kwame Nkrumah, had squirreled away while in power. According to Blay-Miezah, Nkrumah shared the details of this treasure with him when the president was on his deathbed—never mind that Blay-Miezah was serving time in a Pennsylvania jail when Nkrumah died. Over several decades, Blay-Miezah convinced dozens of people in Ghana, South Korea, the United Kingdom, and the United States to provide him with the funds he said he needed to access this treasure, promising massive returns for their support. Yeebo makes clear that powerful people protected Blay-Miezah and kept the con going either because the grifter was useful to them or because they did not want to admit that they had been swindled. Blay-Miezah would die in 1992 while under house arrest in Accra; rumors endure to this day that he left an investment fund worth \$15 billion. Yeebo uses this outlandish yarn to paint a vivid picture of the early years of post-independence Ghanaian society and government.

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*Bushmeat: Culture, Economy, and Conservation in Central Africa*  
BY THEODORE TREFON. Oxford University Press, 2023, 256 pp.

This excellent introduction to the cultural, economic, and health implications of bushmeat shows that eating a wide assortment of animals is a way of life in much of central Africa. People in this region grill, roast, stew, and smoke a variety of wild mammals, birds, and reptiles. For people outside the main cities, bushmeat provides an important

source of calories and protein. But even city dwellers partake; Trefon argues that eating wildlife allows urbanites to renew ties to a sense of their origins, to assert kin, culture, and home. Trefon is sympathetic to the cultural appeal of bushmeat, but his book makes clear that current levels of consumption are unsustainable. As human populations rise and the forest recedes, finite supplies of bushmeat are fast being depleted. Trefon is deeply pessimistic that policies can be devised to protect wildlife as long as bushmeat remains an important source of nutrition; governments in the region have limited capacity to regulate the complex networks of actors who bring bushmeat from the forest to the dinner table.

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*Djibouti: A Political History*  
BY SAMSON ABEBE BEZABEH.  
Lynne Rienner, 2023, 221 pp.

Abebe Bezabeh has written a thoughtful political history of a much-neglected country. Djibouti gained independence from France in 1977. It sits squeezed between Eritrea, Ethiopia, and Somalia with a population of just over one million people. The country is mentioned in the press because of its strategic location between the Red Sea and the Gulf of Aden and because it hosts French, American, and now Chinese military bases. Its domestic politics, including the legacy of a long civil war in the 1990s, receives far less attention. This book is sharply critical of Djibouti's post-independence record. Two strongmen have dominated national politics, deploying a mixture of repression and clientelism to remain in power. President Ismail Omar Guelleh is now



in his fifth term. The country's politics is shaped by the conflict between the majority Issa ethnic group and the smaller Afar. Abebe Bezabeh argues that the regime has always sought to co-opt different ethnic elites to manage the conflict, and the peace deal that ended the civil war included some formal ethnic power sharing; the result, he suggests, is a system that enthrones its elites and does not respond to the needs of average citizens.

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*Power, Patronage, and the Local State in Ghana*

BY BARRY DRISCOLL. Ohio University Press, 2023, 272 pp.

Driscoll's book seeks to investigate how electoral political competition shapes local government in Ghana, with a focus on systems of political patronage. Combining ethnographic methods and a remarkable data set of surveys of district officials, he finds that the main demand for patronage comes from the political parties and their local representatives who want to be rewarded for their efforts during the campaign. That patronage likely includes the dispensing of jobs, procurement contracts, land titles, and licenses. Local officials are under tremendous pressure to respond to these demands; Driscoll finds that

the more competitive the district, the higher the levels of patronage necessary. He argues, optimistically, that these higher levels of patronage do not result in a decline in administrative performance. His research shows that local officials in Ghana are better trained than they used to be, are often politically neutral, and seem primarily motivated by policy implementation rather than by party politics.

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FOR THE RECORD

"What America Wants from China" (November/December 2023) incorrectly referred to a 2016 ruling against China regarding its claims in the South China Sea. It was a tribunal of arbitrators, not the International Tribunal of the Law of the Sea, that issued the decision, and the ruling dealt with maritime, rather than territorial, claims.

"The New Economic Security State" (November/December 2023) misstated one author's affiliation. Henry Farrell is the Stavros Niarchos Foundation Agora Institute Professor of International Affairs at Johns Hopkins University. Owing to an editorial error, the same essay mischaracterized economic policy under the administrations of U.S. Presidents Jimmy Carter and Ronald Reagan. Those administrations did not engage in economic interventionism but turned away from it. 🌐

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April 1973

# “Israel in Search of Lasting Peace”

GOLDA MEIR

*In April 1973, Israeli Prime Minister Golda Meir reflected on the long-running tensions between Israel and its Arab neighbors. That October, those neighbors would launch a surprise attack on Israel, starting what became known as the Yom Kippur War and eventually prompting Meir’s resignation. “History repeats itself in the Middle East,” Meir claimed in her article. And indeed, 50 years and a day after the 1973 attack, Israel once again suffered a surprise attack, this time from Hamas.*

We believe that the differences between us and the Arabs are soluble, and that because of the genuine needs of the peoples of the Middle East reason will finally prevail. International funds, toward which Israel is prepared to contribute her share (we have offered compensation for Arab property in Israel), are available for the resettlement of Arab refugees still living in camps. Between the Mediterranean and Iraq—the original area of Mandatory Palestine—there is room for both a Jewish and an Arab state. The name of the Arab state and its internal constitution and order are its responsibility and concern.

I still hope that, in a world that has just seen the close of the Vietnamese conflict through negotiation and a movement

toward coexistence among the great powers, the many sovereign Arab states will come to terms with the idea of Jewish national independence and with the reality of Israel, the one small land in which that independence can flourish. Genuine peace requires more than a signature to

an agreement. That signature is a beginning; it is the passage to a bridge of understanding and of cooperation between nations across which will move people, ideas and goods. My vision of peace is regional exchange and cooperation.

And who can deny that there is much to be done for the good of this area? We do not make this a condition for signing a peace agreement. We register it as an expression of the quality of relations we would wish to see develop between ourselves and our neighbors in peace. 🌐





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